PERFORMANCE RATINGS ON 1,788 FUNDS

SEPTEMBER 3, 1990 THREE DOLLARS SEVENTY-FIVE CENTS

Forbes

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☐ REAL ESTATE PLAYS ☐ LOAD FUNDS WITHOUT A LOAD
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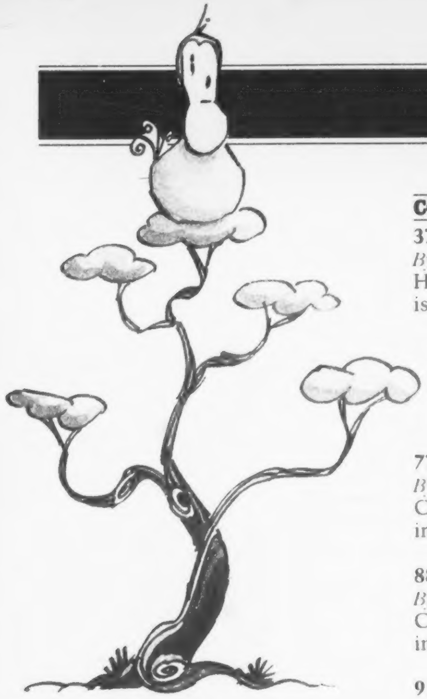

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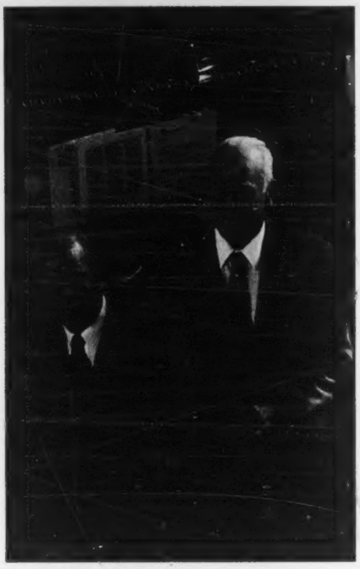

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September 3, 1990 Volume 146 Number 5 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Canadian second-class postage paid, permit number 9490. Subscription $48 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1990 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

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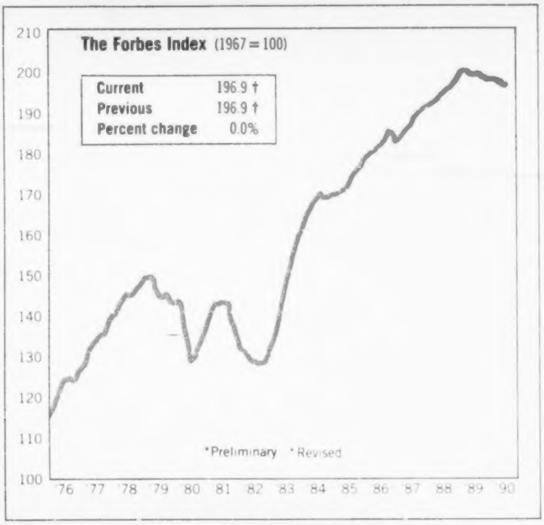
The Forbes Index



The Forbes Index fell 0.6% in the first half of 1990. Although the Index is unchanged for June, the restated April figure was off 0.5% after the Department of Commerce revised downward the April figure for personal income. The Department of Commerce also revised the May results for manufacturers' new orders and inventories and the June figure for new orders. The restated data show that new orders fell 2.8% while inventories were off 0.7%. Although the economy may be slowing down, bulging inventories should not be a major problem.

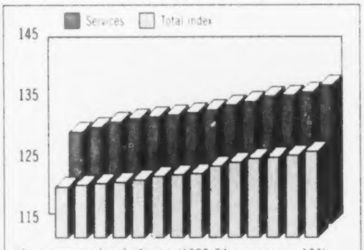
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.0%
Auto sales year to date vs. 1989[1]	Ward's Automotive	-3.6%
Index of leading indicators June vs. May	Dept of Commerce	0.0%
Trade balance 12 months ended May 1990	Dept of Commerce	-$104 bil.
Producer price index July vs. 1989[2]	Dept of Labor	3.4%
GNP 2nd quarter vs. 1st—annualized growth	Dept of Commerce	1.2%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	5.0%

[1] U.S.-based manufacturers, excludes imports, as of 7/31/90. [2] Finished goods. [3] June 1990

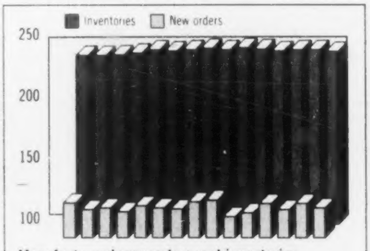
Index Components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

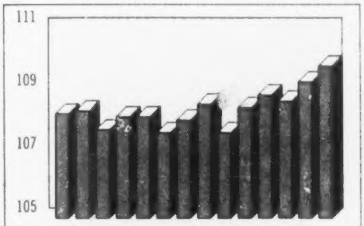
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



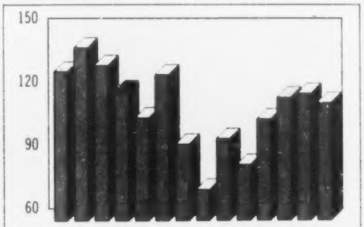
Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)



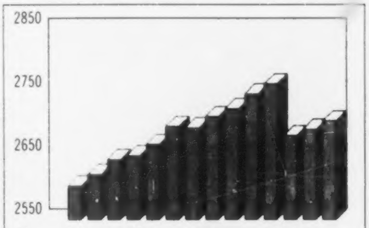
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



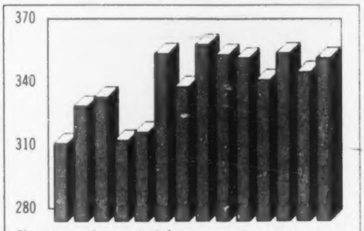
Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)



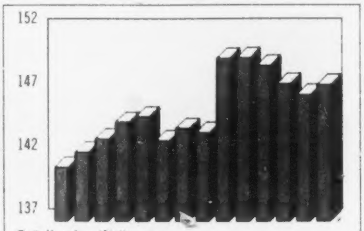
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



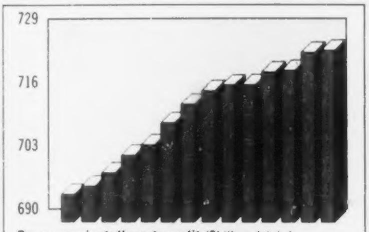
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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You don't have to be clairvoyant or even a market pro to pick a mutual fund intelligently. Just follow some simple rules, avoid some common pitfalls and understand the risks.

How to choose a fund

By William Baldwin

IT'S AMAZING how careful people can be shopping for a $300 VCR and how sloppy they are shopping for a $3,000 mutual fund.

A few years ago this writer heard from a friend who had just bought a stock fund for his 6-year-old. Now, this fellow is not only an astute buyer of electronic gear but he is also an analyst of sorts whose reports are sold primarily to Wall Streeters. He therefore thought he knew what he was doing in picking a fund.

"I bought Dreyfus Strategic Investing," he said. "It can do more things than other funds. It doesn't just buy stocks, it can buy bonds and do hedging."

"Sure," we answered. "But isn't that a load fund? Why did you pay a sales commission to get a fund when you could have had one without a sales commission?"

"Why not? If you pay the fee up front, you don't have annual fees and you're really better off. Aren't you?"

Sorry, friend. You were either uninformed or misinformed. Paying a sales commission (load) does not spare you from paying an annual management fee. Here was an educated consumer who had, in one buying decision, transgressed two of the cardinal rules of fund investing.

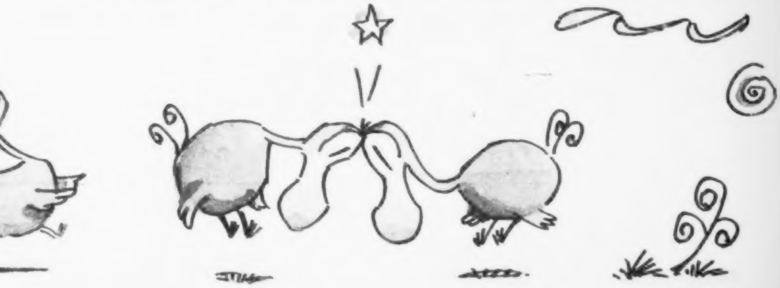
Rule 1. Don't go for complicated strategies.

Rule 2. Pay attention to costs.

In buying that fund, he chose a complicated rather than a simple investment strategy and he paid through the nose for it—twice.

For all the sophistication of the Dreyfus Strategic Investing fund's strategies, it has been a mediocre performer, not quite keeping up with the market over the last three years. As for the 4.5% sales load this investor paid to get in, it was money down the drain. It didn't absolve him from his share of the fund's operating expenses, which are currently running at a fairly stiff 2% a year.

If you are a novice investor, don't be intimidated by this experience. Be comforted by it. The mistakes this supposedly sophisticated investor made are easily avoidable. It is not all that hard to pick a fund or an assortment of funds wisely. In doing so, you are not attempting to predict the next decade's winners. No one can do that. You are, rather, attempting to find investments that are suitable for your needs, that are not overpriced (in fees and loads) and that are, given their past performance, as likely as any others to deliver payoffs commensurate



Patrick McDonnell

with the risks you take to buy them.

Let's be more specific. Suppose your circumstances dictate a very long investment horizon, either because you are young or because you are investing money you know you won't need for a long time. If you are such a person, you most certainly want to put some of your money in mutual funds that concentrate on buying and holding stocks. Now start with the honor roll of funds on page 126. The list consists of 19 domestic stock funds and 1 foreign one. All have performed well above average over the past decade while earning a grade of B, A or A+ in down markets. They have been good performers in bear markets while also doing well overall over a long period.

Why our emphasis on bear market performance? Two reasons. One, we use downmarket grades as an indicator of risk. A fund that did well over the past decade but suffered severe downdrafts along the way is, for most investors, not as useful as one that got just as far with a plodding gait.

If you are exceedingly confident about the further upward movement of the Dow, you can disregard this caution and go for the funds with the highest grades in bull markets. But most people cannot be so confident, and they cannot know when they may need to cash out of a fund. It might be shortly after a crash.

The other reason for the spotlight on bear market grades has to do with where the market has been. Since November 1980, the period over which we grade stock funds, the market has been uncharacteristically bullish. Real (after inflation) annual returns on stocks have been half again as high as their 7% long-term norm. So, if the coming decade is closer to normal, it will have weaker bull markets or worse crashes. Raw measures of point-to-performance—the way most people compare funds—will overreward the fair-weather funds, the ones that get A's in up markets and D's and F's in down markets.

In short, our honor roll honors consistency of performance. That's what we think the smart long-term investor should seek.

Our honor roll includes both load and no-load funds. (Load funds charge sales commissions as high as 8.5%; no-load funds charge no sales commissions.) If you are getting help from a broker or financial planner, you can expect to pay a sales load. But if you are making your own decisions, stick to no-loads. Make an exception to this rule only if the load is very small (under 3%) and you are certain of staying in the fund for a very long time. Some excellent load funds can be bought no-load; see page 140.

If your circumstances call for fixed-income investments, first figure out whether it makes sense to be in a taxable or a municipal (tax-free) bond fund. An IRA, for example, would go into a taxable fund because yields are better and there is no sense putting a tax-exempt security in an account that is already tax-sheltered. Outside of a tax-sheltered account, muni funds often make sense. They pay a smaller dividend than the taxable bond funds, but if you are in a high tax bracket you may be better off sacrificing some yield for the tax exemption. A table on page 130 lists the better no-load bond funds.

Now let's look at the five most common mistakes investors make when they buy funds.

Being mesmerized by complexity. The past decade's explosive growth of futures and options has provided much grist for the mills of fund marketers. The selling proposition: Sophisticated strategies are used by sophisticated people, and sophisticated people get rich. This is nonsense. Warren Buffett got superrich by following simple but sound investment principles. Financial futures may be a real convenience to a portfolio manager, but they don't increase the return you can expect from a fund. Do trifectas make betting on horses more profitable? Why should they? If horseplayers are getting richer, who's getting poorer?

Here's a handy rule. If a fund has the word "strategic" in its name, don't buy it. We mean that only half facetiously. There are 20 equity funds in our database with that word in their names and with records going back at least three years. As a group, they have abnormally high expenses and abnormally low returns. Coincidence? Or marketing hype?

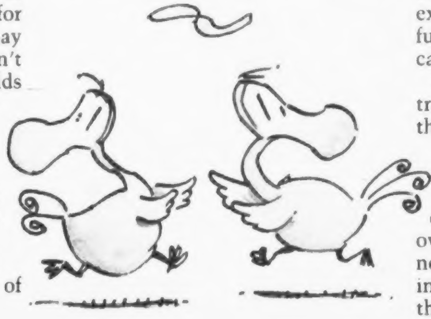
We don't mean to single out Dreyfus, one of whose strategic funds, Strategic World, happens to have done very well over the past three years. Turn to page 134 for a look at the sorry performance of Shearson's Multiple Opportunities Portfolio, which lacks the magic word but certainly fits in the genre.

Overlooking costs. Excellent stock funds are available with annual costs (management fees and overhead) below 1%. Good bond funds should be cheaper still. Don't pay more without a compelling reason. A fantastic performance record or an unusual specialty (say, investing in Third World stocks) would justify stretching these limits a bit. But there is simply no excuse for a fund running up 2% or 3% in annual costs. The fantastic performance, some large part of which is due to luck, may or may not continue next year. But the costs will continue, and eat away at your investment.

Shopping for yield. This is the trap

that fund buyers fall into when they first venture forth from the safe surroundings of a bank lobby. Certificates of deposit should be compared on their yields; funds should never be. Since the principal in a fund is not fixed, as it is in a bank account, there is considerable risk that a high yield will be accompanied by an erosion of principal. Portfolios of junk bonds, for example, behave this way. They may be good investments, but you can't tell that by looking at their yields alone because those yields can be eaten up in bond defaults and price declines in the junk bond market. We show yields—more precisely, payout rates—in the fund tables, but we use something else to calculate performance and award grades. That something is total return, defined as the sum of yield and capital gains or losses.

Misjudging risk. There is no way to earn a real return as an investor and avoid all risk. Cower in the safety of "riskless Treasury bills" and you will merely tie inflation. Buy only bonds and you are taking the chance that runaway inflation will destroy your principal. A pure stock portfolio has this risk: A bear market, arising for no particular reason, chops off 30% of its value, you panic, and you sell at the bottom. You should think about these risks before deciding how to divide your assets among stocks, bonds and cash. Would a sudden loss of 15% of your assets cause you to panic and sell? Then put no more than half your assets in stock funds.



Misjudging the past. Probably the greatest mistake of all is to extrapolate the recent past into the indefinite future. If gold was up last year, gold funds will be hot sellers this year. If the dollar was weak and foreign funds delivered 30% returns without trying, investors will be crowding into foreign funds now. In fact, currency fluctuations and gold prices tend to even out over time. There is no reason to expect that a foreign fund or a gold fund will do better over the next decade than a domestic stock fund.

Today's fad is index funds that track the Standard & Poor's 500. True, the average soundly beat most stock funds over the past decade. But is this an eternal truth or a transitory one? Isn't it possible that the blue chips in the average are, as a group, overpriced? Our conclusion is that now is a bad time to be buying an index fund. Read the article below and the one on page 170. ■

The trouble with an index fund of small-cap stocks is that it is forced to buy a lot of trash. The Fidelity Low-Priced Stock Fund doesn't have that handicap.

Cheap stocks

By Richard Phalon

It is not quite an accident ward, but Joel Tillinghast's portfolio tilts definitely in the direction of rehabilitation and reconstruction. As manager of the Fidelity Low-Priced Stock Fund, Tillinghast, 32, presides over a very unglamorous collection.

"We've got emerging growth companies with no Wall Street support and emerging growth companies that have temporarily stalled," he says. "We've got dogs big and small that appear to have suffered some toxic business reverse. Fallen angels are a specialty of the house."

Mixed metaphors, but then Tillinghast's portfolio is a mixed bag. He is talking about such toxic-tainted fallen-angel dogs as Brooke Group (formerly Liggett), Medex, Showbiz Pizza Time, SafeCard Services, Seagate Technology and Thiokol. Like the 200-plus issues in the portfolio, these stocks are priced at low multiples of their earnings or have passed other tests of unpopularity. To make it into the fund, the stocks had to be selling at under $15. Tillinghast's thesis is that overlooked low-priced stocks, though more volatile than high-priced ones, carry the prospect of proportionately higher gains.

Neither the thesis nor the packaging is entirely new. The Fidelity Low-Priced Stock Fund, launched near the close of last year, is something of a knockoff on the Bowser Growth Fund ("A man's name, not a dog," laughs Tillinghast). Bowser's investment targets were stocks under $3, but the fund never quite got off the ground. It was merged out of existence in December 1988.

Fidelity's muscular sales arm, on the other hand, has pulled in $115 million of assets for Tillinghast. Buyers have not gone unrewarded. Total return so far this year (through July) is a gain of 9%, compared with 3% for the Standard & Poor's 500 stock average and –3% for the Nasdaq over-the-counter average.

The case for the fund is as follows: Small companies, as measured by the Nasdaq index, have lagged the big companies for most of the past decade. It is quite plausible that big stocks (namely, those in the S&P 500) are now overpriced and likely to do worse than small ones in the next decade. You could get an index fund of smaller companies, such as the Vanguard Index Trust–Extended Market Portfolio. Trouble is, an index fund is compelled to buy any and every stock meeting a size criterion, even pieces of junk trading at ridiculous multiples of their earnings and assets. In small stocks especially, you're probably better off with an active manager than buying the market.

If you buy Tillinghast's fund, it's because his eccentric investment formula makes sense to you—and you are willing to take a chance on Tillinghast's unproven investment record. The soonest his fund could land on our honor roll *(see p. 126)* is somewhere near the turn of the century.

Fidelity's fund is not expensive. You can buy it without a load, and the expense ratio this year is likely to come in at 1.2%. Some other funds specializing in small companies are in the table to the right.

One of the more offbeat of Tillinghast's holdings is a package of four British water companies that make up 11% of the portfolio. Tillinghast picked them up last year when the Thatcher government privatized utilities in an effort to upgrade the often execrable quality of the British water supply.

The stocks had a lot going for them: low multiples, clean balance sheets and inflation-proof rate structures. The potential kicker: the likelihood that the water companies' extensive ownership of sewer systems will lead them into higher-margined ecological undertakings like waste management and control. Northumbrian Water trades at 303 pence, or $5.60 a share; its per-share earnings last year were 78.3 pence ($1.45) and its book value was 933 pence ($17.30).

Time for a small-cap rebound?

Funds specializing in companies with small market capitalizations have had a hard go of it; almost all have fallen behind the passively managed Vanguard Index-500. But that may well mean that small stocks are undervalued now and likely to beat S&P 500 stocks for a while.

Fund	Performance UP	DOWN	Total return*	Assets ($mil)	Annual expenses per $100	Maximum sales charge
	——markets——					
Pennsylvania Mutual	B	B	15.0%	$685	$0.94	none
Acorn	B	C	14.5	953	0.73	none
Alliance Quasar	A+	D	14.4	343	1.10	5.50%
Over-the-Counter Securities	C	B	12.0	291	1.45	4.50
Kemper Summit	A	D	11.8	270	0.81	5.75
Hartwell Emerging Growth	A+	F	10.4	29	2.50	4.75
Scudder Development	C	D	10.3	361	1.34	none
T Rowe Price New Horizons	B	D	8.5	1,051	0.81	none
Neuwirth	A	D	8.4	25	1.84	none
Vanguard Explorer	D	D	7.7	290	0.64	none
Vanguard Index-500 Portfolio	B	C	14.5	2,368	0.20	none

*Average annual total return, 11/80 to 6/90.

Source: Lipper Analytical Services.

What about the fallen angels? Showbiz, thanks to the hit its comic coin-operated Chuck E. Cheese characters made with the younger set, made it big in the market a couple of years ago. But the charm of novelty soon wore thin. "Kids loved it, parents hated it," says Tillinghast. "The restaurants were dark, noisy, bar-like places with arcade-type machines parents figured would turn their 8-year-olds into delinquents."

Shawn G. Henry/Saba

Joel Tillinghast of Fidelity Low-Priced Stock Fund
Sometimes even British water tastes good.

While most other analysts saw little in the gathering gloom, Tillinghast spotted a management that was suddenly serious about sharpening Chuck E. Cheese's act. With the stock at 13, he made a bet on rising earnings. They have since doubled, and Tillinghast has sold some of his Showbiz at around 26.

"The trick is to back out of the problems," he says. "With luck, maybe you can find earnings power that has been overlooked in the rush to the exits." So it was with SafeCard Services and its descent from 36 to 4 when American Express, a principal customer, decided to go into the credit card loss notification business on its own three years ago.

Tillinghast is chockablock with other hidden value stories: how a production glitch, now cured, drove impatient money out of Medex, a producer of drug infusion paraphernalia; how Seagate Technology's disk drive line has been broadened by acquisition; and why better cost controls for rocket propellants and generic cigarettes will produce earnings growth for such burned-out stocks as Thiokol and the Brooke Group.

It's a curious blend of daring and caution—and it's a lot more interesting than a black box index fund painstakingly programmed to replicate the averages. ■

Picking a good stock fund is not simply a matter of picking one with the hottest record over some period. In investing, stamina counts as much as speed, and consistent performance is the supreme virtue.

The honor roll

By Spyros Manolatos

WOULD THAT choosing a mutual fund were as easy as picking a bank certificate of deposit. If this CD pays 9% compounded and that one pays 10%, you take the 10% so long as both carry FDIC guarantees.

Some people do pick funds that way, as if they were shopping for a bank account. This fund was up 16% for the past few years and that one only 12%, so I want the 16% one. That's the dumb way to invest.

Remember, funds, unlike CDs or bonds, do not pay any contractual return. "Past performance," the prospectus always says, "is not representative of future results." Boy, is that ever true! Past performance is only a weak indicator of future results.

The intelligent investor looks at how far a fund got in past years, but, more important, at how it got there. How much risk did the manager take along the way? How does the fund perform in bear markets? What if I need money when the market is down? How consistently has it done, in bull markets and bear, in foul weather and fair?

Stockholders have been blessed for the last six years with a powerful bull market punctuated by a few interruptions. The interruptions were severe enough to do a lot of damage to anyone who panicked or who happened to need cash at an inopportune time. There was the big crash three years ago, and now there is a correction that began in mid-July, accelerated by the invasion of Kuwait and maybe the start of a serious bear market. Today a runaway dictator ties up the world's oil supply. Tomorrow we get a rise in the prime rate or a new tax on securities. You want a fund that has a good record of withstanding shocks like these as well as a good record of producing gains over the long haul.

To get on the FORBES honor roll, a fund had to have both. It had to roughly triple an investor's money over the

Fund/distributor	Performance UP —markets—	DOWN	Lead manager (years)	Average annual total return[1]	Hypothetica investmen results[2]
Bergstrom Capital/closed-end	C	A	Erik E. Bergstrom (14)	18.2%	$40,449
Dodge & Cox Stock Fund/Dodge & Cox	A	B	Multiple managers[7] (9)	16.3	33,410
Fidelity Destiny Portfolio I/Fidelity Distributors	A	B	George Vanderheiden (10)	18.9	33,477
Franklin Growth Fund/Franklin Distributors	B	B	Jerry Palmieri (25)	15.3	34,517
Guardian Park Ave Fund/Guardian Investor Services	A	B	Charles Albers (18)	17.0	30,874
IAI Regional Fund/IAI Funds	A	B	Julian P. Carlin (10)	16.8	32,967
Investment Co of America/American Funds Group	B	A	Multiple managers[7] (7)	16.7	30,626
Lindner Fund/Lindner Management	D	A+	Multiple managers[7] (9)	18.8	38,621
Mutual Benefit Fund/Mutual Benefit Financial Services	A	B	Multiple managers[7] (7)	17.0	32,871
New England Growth Fund/New England Securities	A	B	G. Kenneth Heebner (14)	18.5	36,692
Nicholas Fund/Nicholas Co	C	A	Albert O. Nicholas (21)	16.7	35,908
Phoenix Growth Fund/Phoenix Equity Planning	B	A	Robert Chesek (10)	22.1	45,814
T Rowe Price International Stock/T Rowe Price Associates	B[9]	B[9]	Martin G. Wade (10)	18.0	37,536
Salomon Brothers Opportunity[10]/Salomon Brothers	C	B	Irving Brilliant (11)	15.4	31,702
Selected American Shares/Prescott, Ball & Turben	D	A	Donald A Yacktman (7)	15.4	29,765
SLH Appreciation Fund/Shearson Lehman Hutton	B	B	Harold L. Williamson (8)	15.9	34,432
SoGen International Fund/Sogen Securities	C	A+	Jean-Marie Eveillard (12)	17.5	30,962
Source Capital/closed-end	D	A+	George H. Michaelis (18)	16.7	31,399
United Income Fund/Waddell & Reed	A	A	Russell E. Thompson (11)	19.1	35,406
Washington Mutual Investors/American Funds Group	B	A	Multiple managers[7] (9)	17.8	34,092

[1] From 11/30/80 through 6/30/90, before deducting loads and taxes. [2] Value on 6/30/90 of $10,000 invested 11/30/80, after load and taxes, for hypothetical upper-income invest Assumptions: Investor has $100,000 of gross income in constant 1984 dollars, deductions equal to 20% of income—15% after 1986—and four exemptions. Loads applied at 6/30/ rate. [3] Average of price/earnings ratios for stocks in portfolio as of 3/31/90, weighted by size of holding. Source: CDA Investment Technologies. [4] Lesser of security sales purchases, divided by average net assets. [5] Most funds have lower minimum requirements for IRAs and automatic savings plans. [6] Closed-end funds have no loads, but hypothetic results column assumes a 1% brokerage fee to buy shares. [7] Average tenure of managers, with 9.6 years maximum credit for each. [8] Operates as a contractu

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past three market cycles (not quite ten years). This score, shown below in the column labeled "Hypothetical investment results," is not very different from what other publications use to rate funds. But we have a second requirement that considerably toughens the competition. The fund had to do well in bear markets, earning a B or better.

The Lindner Fund is among the top three honor roll funds in bear-market performance, with an A+ grade over a measurement period ended June 30. A few weeks later its shareholders got another dose of bear markets. Between July 17, when the Dow closed just below 3000, and Aug. 9, the overall market (as measured by the S&P 500) fell 7.3%. Lindner was off only 2.8%.

Comanager Robert A. Lange explains his strategy: "We are not doing anything different now. You shouldn't be buying stuff unless you get a good deal." A good deal to him is a company trading cheaply relative to its earnings or its breakup value. Because he couldn't find enough bargains Lange had a quarter of Lindner's portfolio in cash at June 30, which helped cushion his shareholders when Iraq invaded. Among his biggest holdings are Norsk Hydro, a Norwegian natural gas company, Texaco and Mobil. "We bought these stocks a while ago, and they were acting well even before the crisis," he says.

To qualify for the honor roll, a fund must have started before Nov. 30, 1980, the beginning of the three market cycles over which we calculate hypothetical investment results. This requirement disqualified the Mexico Fund (started in 1981) even though it received one of the rarest of grades, a double A+. Also, sector funds are excluded.

Another requirement is continuity in management. Fidelity's Magellan Fund was on every honor roll between 1982 and 1989. It was kicked off this year when manager Peter Lynch retired and Morris Smith came on board. We require the lead manager to have at least two market cycles (seven years) in the saddle.

What about funds managed by committees? They are allowed on if the average tenure of the managers is at least seven years. Two committee-run funds from the American family—Investment Co. of America and Washington Mutual—are winners, and two others narrowly missed: Fundamental Investors and New Perspective. In calculating average tenure we allow a maximum experience of 9.6 years (the duration of our three market cycles) for any one member.

As in previous years we left out funds closed to new investors. Vanguard Windsor, CCM Capital Development and Sequoia Fund would have qualified otherwise. IAI Regional Fund should have been on our 1989 honor roll and so is credited here with a second year. ■

Net assets ($mil)	Maximum load	Annual expenses per $100	Weighted average P/E[3]	% of assets in cash	Portfolio turnover[4]	Minimum initial investment[5]	Fund (consecutive years on honor roll)
$73	NA[6]	$0.97	28	5%	36%	none	**Bergstrom Capital (7)**
157	none	0.65	15	5	4	$1,000	**Dodge & Cox Stock Fund**
1,833	NA[8]	0.56	12	7	81	NA	**Fidelity Destiny Portfolio (8)**
185	4.00%	0.72	15	11	2	100	**Franklin Growth Fund (2)**
253	4.50	0.68	13	7	47	1,000	**Guardian Park Ave Fund (3)**
191	none	1.00	18	27	116	5,000	**IAI Regional Fund (2)**
5,874	5.75	*0.52*	15	20	18	250	**Investment Co of America**
716	none	0.62	9	26	19	2,000	**Lindner Fund (2)**
38	4.75	1.45	16	16	14	250	**Mutual Benefit Fund (2)**
640	6.50	*1.22*	11	10	203	1,000	**New England Growth Fund (6)**
1,520	none	0.82	15	9	21	500	**Nicholas Fund (9)**
756	6.90	1.04	15	13	180	500	**Phoenix Growth Fund (2)**
1,163	none	1.05	NA	14	48	2,500	**T Rowe Price International**
108	none	1.26	16	17	8	1,000	**Salomon Brothers Opportunity (2)**
412	none	*1.08*	16	8	46	1,000	**Selected American Shares (2)**
1,121	5.00	0.89	17	13	24	500	**SLH Appreciation Fund (5)**
195	3.75	*1.38*	15	26	31	1,000	**SoGen International Fund (2)**
311	NA[6]	0.96	12	21	36	NA	**Source Capital (2)**
1,742	8.50	0.69	14	3	61	500	**United Income Fund (2)**
5,349	5.75	*0.69*	13	5	7	250	**Washington Mutual Investors**

plan, requiring monthly investment, with a decreasing load as investment grows. Hypothetical investment result assumes a single investment of $10,000 on 11/30/80, with a 12.03% simulated load that reflects both sales and account maintenance charges. [9]Grades for foreign funds depend on performance against other foreign funds over the period since Sept. 1982, but hypothetical and long-term returns are measured over the same period as for domestic stock funds. [10]Formerly Lehman Opportunity. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* NA: Not available or not applicable.

It happens again and again: A money manager's dice are hot and then they turn cold. So don't buy into a fund just because it was hot last year.

Tortoises versus hares

By Michael Fritz

Stanley Salvigsen, Charles Minter and Michael Aronstein, the ex-Merrill Lynch threesome behind money manager Comstock Partners, looked like geniuses in 1987. They predicted that interest rates would rise enough to undermine the stock market and then resume a long decline. They were right. As adviser to the Dreyfus Capital Value Fund, Comstock hedged the fund against the October crash, enabling it to earn 35% for the year, against 5% for the S&P 500.

In May 1988 Comstock's partners decided to try their hand at the bond market. Investors showered $1.3 billion on the Comstock Partners Strategy Fund, buying shares of this closed-end bond fund at $10 each, including a 65-cent sales commission. Everybody wanted on board an outfit that could predict things like the 1987 crash.

Comstock rolled the dice again. This time the partners figured that deflation was coming, and loaded up on 30-year noncallable government bonds and zero coupon Treasurys. Good call. In last year's fund survey the fund showed up with a 20.6% total return for the 12 months through June 30, 1989, double that of the average bond fund.

But last winter the partners' dice went cold. Comstock was still heavy in long-term bonds when interest rates turned around and started rising. The partners turned bearish, but not before getting hit with huge capital losses on their zeros. Still bearish, they missed the second-quarter rally. For the first half of the year the fund's total return was –3.4%, in the bottom 3% of all taxable bond funds.

The partners are back at the betting table. All the while maintaining a bearish stance on government bonds—where their holdings are hedged with put options—they have dipped into foreign currency plays. Now 25% of fund assets are in foreign government paper from Canada, the U.K., France, Australia and New Zealand. If rates rise and the dollar sinks, this fund could land in the performance hit parade once again. If interest rates fall and the dollar rises, the fund will be in the cellar once again.

Investors who bought the fund when it came out have had a bumpy ride. Their $10 shares recently traded on the New York Stock Exchange for 9⅛, and they have collected $2.42 a share in dividends. But they would have done just as well in the Vanguard Ginnie Mae Fund, and the ride would have been a lot smoother. If you think of the Comstock Fund as a hare, you have to concede that the turtles got to the goal just as fast as the hare did—and at less cost.

For the Comstock partners, this crap game is lucrative. Their advisory fees roll in steadily at a rate of nearly $6 million a year. But what about the customers? So far they haven't been especially well rewarded for the risks they've taken and the relatively high fees they pay.

The moral: One or two good calls do not make a money manager into a genius. Look for consistent performance, over at least one market cycle. Don't buy an expensive fund—that is, one with high annual expenses and/or a sales load—on the strength of a recent spurt of good performance. The spurt likely is as much luck as skill.

For our table of superior bond funds

Bond funds that deliver

Below is a sampling of bond funds that have beaten their peers over one or two market cycles. All are no-load and hold expense ratios to 1%.

Fund	Type	Performance UP markets	Performance DOWN markets	Cycle return (annualized)[1]	Annual expenses per $100
Lincoln National Income	corporate	C	A+	12.6%	$0.96
Transamerica Income Shares	corporate	A	D	12.6	0.71
Federated GNMA Trust	Ginnie Mae	B	C	10.8	0.53
Vanguard Fixed Income—GNMA	Ginnie Mae	B	C	11.0	0.31
Fidelity High Income Fund	junk	C	A	9.3	0.81
Vanguard Fixed Income—High Yield	junk	C	B	9.5	0.38
Fidelity Intermediate Bond Fund	short-term	D	A	10.1	0.72
Vanguard Fixed Income—Short-Term	short-term	C	A	9.4	0.28
Financial Tax-Free Income Shares	municipal	A+	F	10.5	0.74
Safeco Municipal Bond Fund	municipal	A	C	10.5	0.57
USAA Tax-Exempt Fund—Short-Term	muni-short	F	A+	6.7	0.52
Vanguard Muni Bond—Short-Term	muni-short	F	A+	6.1	0.27
Safeco California Tax-Free Income Fund	muni-Cal	B	F	3.5[2]	0.69
Scudder California Tax Free Fund	muni-Cal	B	C	3.6[2]	0.83
Fidelity NY Tax-Free—High Yield	muni-NY	C	C	3.4[2]	0.61
Scudder NY Tax Free Fund	muni-NY	C	C	3.3[2]	0.89

[1] Apr. 30, 1983–June 30, 1990. [2] Aug. 31, 1986–June 30, 1990.

we selected on the basis of both cost and consistent performance. We looked for funds in each of several categories that combine good returns over two interest rate cycles (Apr. 30, 1983 to June 30, 1990) with low costs.

The letter grades assigned to bond funds should be understood as both a measure of performance and a measure of interest-rate risk. Short-term bond funds get poor grades in bull markets (that is, when interest rates are falling) and good grades in bear markets. Long-term funds have the reverse pattern. Before buying a bond fund you must, of course, decide where you want to stand on the interest-rate curve. If you don't have a strong feeling about where interest rates are headed, then a Ginnie Mae fund is a good middle-of-the-road choice. It will probably do worse than a long-term fund in a bull market and better in a bear market. ■

Look before you leap into a "government" fund or money fund. Some are exempt from state income taxes, others aren't.

Why pay unnecessary taxes?

By David Churbuck

STATE INCOME TAXES are high and going higher, especially in high-spending, high-taxing states like New York, California and Massachusetts. There is even talk in Washington of limiting the federal deduction for state income taxes. If that happens, what your state takes away from your dividend check comes right off the bottom line. Obvious solution: Buy U.S. government bonds. They have been exempt from state taxation since 1819.

Since selling a Treasury bond before its maturity date can be expensive and sometimes awkward, most investors are wise to buy Treasurys through mutual funds, even at a slight loss in income. A no-load U.S. government fund gives you much better liquidity than a bond, plus all the tax advantages. Or does it?

Watch out. The trick is picking the right fund for your state's tax code. Pick the wrong one and live in the wrong state, and you could be in for a big surprise come tax time.

First trap: A lot of so-called government bond funds invest not in direct government debt but in other paper that is merely guaranteed by the federal government. The portfolio of the Value Line U.S. Government Securities Fund is 86% invested in Ginnie Maes, fully taxable by the states. Indeed, a lot of Ginnie Mae funds masquerade as "government" funds.

Some federal agency paper is state-tax-free, other isn't. Tennessee Valley Authority bonds are considered a direct U.S. obligation and are therefore exempt. So are bonds from the various agencies bailing out banks and thrifts. But Fannie Mae and Freddie Mac bonds are taxable.

Next problem: It's next to impossible to get clear guidance from a fund sponsor about the fund's tax status. The number that you want is the percentage of income derived from direct U.S. government obligations. That should be simple enough, but the service representatives at the end of an 800 number usually don't know or can't tell you.

Instead, ask if the fund sends its investors at tax time a statement showing the percentage. If the answer is no, request the portfolio (usually in a semiannual financial statement, not in the prospectus) and go over it carefully with a list of acceptable bonds at hand. Generally, mortgage-backed federal issues are taxable by the states and nonmortgage issues aren't.

Next problem: States that recognize payouts from U.S. Treasury funds as exempt typically demand that a minimum 50% or 80% of the payout be derived from Treasury interest, or none of it is exempt.

Finally, six states play it rough and tax in full any dividend from any incorporated fund, never mind where the interest came from. Their argument is that these are dividends from fund companies, not interest from government bonds. Leading the list is Connecticut, whose top income tax rate (14%) is the highest in the land. The other five offenders are Delaware, Mississippi, North Dakota, Pennsylvania and Tennessee. The solution if you dwell in one of these six offending states: Buy a bond fund organized as a limited partnership, such as Dreyfus U.S. Government Bond L.P.

Unfortunately, recent federal legislation forbids new limited partnership bond funds. Also, after 1997, grandfathered funds will effectively lose their partnership status. At that point hapless savers in Connecticut will be cornered. They'll have to buy their Treasury bonds directly and give up the many advantages of investing through a mutual fund. ■

State-tax-free, mostly

"U.S. Treasury" in a fund's name is no guarantee that its dividends are exempt from state tax.

Fund	% direct U.S. obligations	Annual expenses per $100
Dreyfus US Govt Intermed Secs LP	98%	$0.80
Dreyfus US Guaranteed MM	98	0.73
Dreyfus US Govt Bond LP	100	0.00p
Fidelity Government Secs	100	0.73
Neuberger & Berman Ltd Maturity	26	0.65p
Value Line US Government Secs	2	0.67
Vanguard Fixed Income—US Treasury	88	0.28
Vanguard MM Reserves—US Treasury	58	0.30

p: Net of absorption of expenses by fund sponsor.

Shearson's Multiple Opportunities fund has been a disappointment for investors, but not for Shearson, which has raked in $53 million in fees and commissions.

The high cost of high costs

By Ruth Simon

HERE'S A NEW ANGLE in performance fees for money managers: The worse the managers do, the more money they make.

That sounds crazy, but it is, to a degree, the perverse outcome of Shearson Lehman Hutton's Multiple Opportunities Portfolio, L.P. This fund, launched with fanfare in March 1987, took in some $500 million within five months. The investors weren't your widow and orphan types; the fund's minimum stake was $100,000. Investors were apparently attracted by the fund's proposal to use not one but six investment advisers and to give them a flexibility few funds offer. But performance has been so weak that investors have exited in droves. Less than half the original $500 million remains in the fund. As they leave, the unfortunate investors leave some of their money behind. The fund levies an "exit fee" that amounts to 3% of net asset value in the first year and gradually declines to zero after six years. So far Shearson has pocketed $9.3 million in exit fees.

Besides the exit fee, Shearson collects management fees and various expenses totaling 3% of assets annually. Then there are brokerage commissions on the fund's trades. Shearson collected more than 80% of the brokerage commissions paid out to brokers by the fund, or $10.6 million, over the last three years. Total Shearson take from fees, expenses and commissions: $53 million.

It is very hard for the investor to come out well when so much is coming off the top—even if the fund's stock pickers and timers do well. The Shearson fund's total return—reflecting all fees except the exit load—has averaged just 7% a year, 3 points worse than the S&P 500. Without the fees it would have tracked the market.

Why did the fund sell so well at the start? Because of its unusual nature. The portfolio is parceled out among several experts at Shearson. The managers can go short, buy junk bonds and foreign and domestic stocks, write put and call options and play the commodity and foreign exchange markets. And as a limited partnership, Multiple Opportunities is exempt from the tax law that prohibits mutual funds from getting more than 30% of their income from gains on positions held less than three months.

With all that flexibility and its team of wizards, the fund should always beat the S&P 500 and never have a down year. That's what chief investment strategist Michael Sherman told *Fortune* three years ago.

Clearly, Sherman was seeking to capitalize on a persistent investment myth. It's the fairy tale that says some clique of sophisticates out there has access to exotic trading techniques not available to common folk, and that the lucky fellow who is invited into their circle will earn outsized returns. In fact, futures and options are a zero-sum game. Your manager will make money from them only if some other manager loses. In that sense, exotic investment vehicles are

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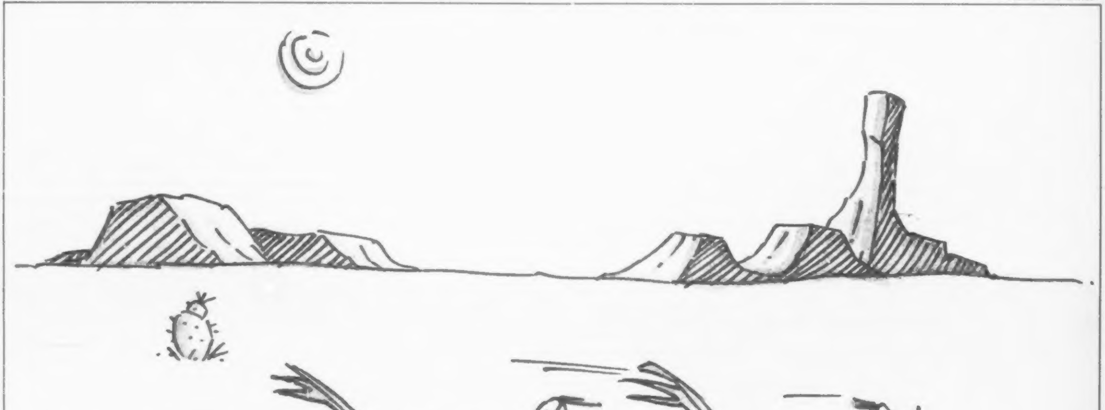


worse than plain old stocks, which at least pay dividends and tend to appreciate over time.

What did Shearson's customers get for all the sophistication of the fund's investment strategies? The fund's hedges helped it weather the 1987 crash, with a loss of only 1% in the fourth quarter of 1987. But, like so many market timers, the fund more than lost on the rebound what it saved in the crash.

Have customers learned their lesson? Perhaps, but there's a new customer born every minute. Shearson brokers have another one of these things to sell. The Advisors Fund L.P., a fund of funds, has raised $180 million since it was introduced in May. Minimum investment: $25,000. (The 1987 tax law limits use of the limited partnership format for funds, but Advisors was grandfathered.)

Like Multiple Opportunities, Advisors parcels out money to several portfolio managers, the main difference here being that the portfolio experts aren't Shearson employees. One thing that hasn't changed is the burdensome cost structure. Including fees paid to the outside money managers, Advisors is going to run an annual expense ratio of about 2.8%. On top of that there is a 5.5% front-end load to get in.

"We're giving investors access to high-quality hedge-fund managers at a price, and with diversity available only to the very richest," boasts Shearson executive Robert Schulman, who developed the fund.

Hedge funds are not registered with the Securities & Exchange Commission and are open only to rich people. The mere fact that they are exclusive doesn't mean that they are good, however. The three Advisors Fund managers with five-year records—Hellman, Jordan, McKenzie, Walker and Nicholas-Applegate—have done worse than the S&P 500 over that period, according to performance figures compiled by CDA Investment Technologies.

Like hedge funds, Shearson's fund has a performance bonus built into the fee. The base portfolio management fee of 2% goes as high as 4% if the fund beats the S&P by 10 percentage points or more, and drops to zero if the fund lags the S&P by 4 points or more. This has a certain sales appeal: We make money only if you do. But a close look at the arithmetic shows that this isn't much of a deal for the investor, unless the five managers do extraordinarily well.

Suppose, for example, that the market alternates bear years of 6% total returns and bull years of 16% returns. And suppose the experts beat the market by 7 points in bull years and lag it 7 points in bear markets, before fees. That is, they just about track the market on average. Over time the market would average a compound annual 10.8%. Advisors' customers would average a return, after costs, of 8.2%. They would be paying 2.6% a year and getting mediocrity. Don't worry, Shulman says: "The fund is going to do 10% better than the S&P, no matter what the market does."

You don't need to pay anything like 2.6% a year to get good management. The efficient funds in the table have costs averaging well under 0.4% a year. And for fees only a little higher you have access to most of the excellent funds on our honor roll (p. 126). These funds let investors with small sums get the same high-quality management that wealthy investors get. That's the beauty of the mutual fund industry.

Our advice to investors, novice and experienced alike: Stay away from complicated investment vehicles; most of them are just an excuse to levy fat fees. Stick with plain old professionally managed, diversified funds with modest management charges and little or no sales loads, and you won't go far wrong. ■

The most efficient funds

A stingy expense ratio and low turnover don't guarantee good results, but they sure help. All 29 funds shown here have turnover below 100% and assets over $100 million. As in past years, Vanguard dominates the list.

Fund	Type	Assets ($mil)	Portfolio turnover[1]	Annual expenses per $100
Vanguard Index–500 Portfolio	stock	$2,368	8%	$0.20
Vanguard Index–Extended Market	stock	185	14	0.23
Salomon Brothers Fund	stock	1,021	30	0.44
Vanguard Windsor II	stock	2,510	22	0.48
Vanguard Asset Allocation	stock	178	1	0.49
Vanguard/Morgan Growth Fund	stock	756	27	0.51
Quest for Value	stock-dual[2,3]	538	76	–0.78[4]
Convertible Holdings	balanced-dual[2,3]	265	50	–1.63[4]
Vanguard Wellington Fund	balanced	2,331	30	0.43
Vanguard Equity Income Fund	balanced	425	8	0.44
Vanguard Trustees Commingled–Intl	foreign	820	25	0.46
ASA Limited	foreign[2]	552	3	0.51
Vanguard Bond Market Fund	taxable bond	171	33	0.24
Vanguard Fixed Income–US Treasury	taxable bond	528	83	0.28
Vanguard Fixed Income–GNMA	taxable bond	2,318	9	0.31
Vanguard Fixed Income–Invest Grade	taxable bond	1,082	70	0.34
Vanguard Fixed Income–High Yield	taxable bond	905	41	0.38
Vanguard MM Reserves–Federal	money market	1,751	NA	0.30
Vanguard MM Reserves–Prime	money market	12,618	NA	0.30
Kemper Money Market Fund–Govt Secs	money market	808	NA	0.45
Merrill Lynch Institutional Fund	money market	1,667	NA	0.45
Vanguard California T-F–Insured L-T	tax-free	324	3	0.23
Vanguard New York Insured Tax-Free	tax-free	214	10	0.30
Vanguard Penn Tax-Free–Insured L-T	tax-free	501	8	0.24
Vanguard Municipal Bond Fund[5]	tax-free	4,993	63	0.27
Vanguard NJ Tax Free–Money Market	tax-free money market	381	NA	0.22
Vanguard Penn Tax-Free–Money Market	tax-free money market	618	NA	0.22
Vanguard California Tax-Free–MM	tax-free money market	639	NA	0.22
Vanguard Muni Bond–Money Market	tax-free money market	2,386	NA	0.27

[1] Lesser of security sales or purchases, divided by average net assets. [2] Closed-end. [3] Performance, asset and expense data on capital and income shares treated as a unit. [4] Recent expense ratio minus the annualized benefit from the closing of the discount to net asset value when fund is liquidated within seven years. Assumes 1% brokerage commission on purchases. [5] Represents total assets of six portfolios: High Yield, Insured Long-Term, Intermediate, Limited Term, Long-Term, Short-Term. NA: Not applicable.

Some of the best-managed funds available have a big drawback: a sales commission. But sometimes you can easily avoid all or most of that commission.

Discount loads

By Christopher Palmeri

MOST PEOPLE who would rather make their own investment decisions than ask a broker for help, and who are careful never to waste a dollar, stick to no-load funds. Why pay a sales commission as high as 8.5% to get into a fund when there are so many no-load funds around? Paying an 8.5% charge means the fund has to gain nearly 10% before you break even. But shunning load funds can leave some excellent funds out of reach—the Templeton and American funds, for instance.

Good news for penny-watchers: It's possible to get these load funds and a large number of others with little or no load. There are several ways to erase, or all but erase, a sales commission. One is to buy a fund through your employer's thrift plan. Another is to invest a very large sum. A third is to be a member of some group affiliated with the sponsor in some way.

Suppose, for example, you wanted to get into the Pacific Horizon Aggressive Growth Fund. This fairly new fund (not yet rated in FORBES) is off to a good start, with a five-year return in the top 15% of all domestic stock funds. Turned off by the 4.5% sales charge? The prospectus outlines several classes of people who are exempt: those buying it through a corporate thrift plan, those who have opened an Individual Retirement Account at the fund's sponsor, Security Pacific Bank, and customers of "a discount broker-dealer, which imposes a transaction charge."

Charles Schwab & Co. is the principal beneficiary of this provision. It maintains one big account with each Pacific Horizon fund and runs trades by Schwab customers through this omnibus account, charging $64 for each buy or sell order of $10,000. This comes to a big saving over the standard load charge. (Unfortunately, Schwab has similar trading arrangements with only about 20 funds.)

A more traditional way to beat the load involves volume discounts, which are more accessible than you might think. In the main tables that begin on page 177, we show the maximum sales charge for every fund. In the table below we show the minimums for a selection of excellent funds. These minimums can be triggered for investments as low as $500,000.

You can, for instance, get into the American Funds family (maximum load, 5.75%) with no load, by plunking down $1 million. That's a large sum, but it can be divided among various funds in the fund family and various owners and trusts within your family.

John Templeton's famous Growth and World funds have always carried a stiff 8.5% maximum load, but the load drops to 0.5% for purchases over $2 million. For a wealthy investor planning to stay in the fund for five years, that's no worse than an extra 0.1% a year tacked onto the annual expense ratio. Note that both of these funds have a bargain expense ratio of 0.7%, half the average for stock funds. In short, for the right buyer, these Templeton funds are every bit as economical as a good no-load. ■

Patrick McDonnell

Get them wholesale

The ten funds below have strong performance records, low expenses, and deep discounts on their loads if you are willing to invest enough money.

Fund	Performance markets UP	Performance markets DOWN	Annual expenses per $100	Load Maximum	Load Minimum
Cardinal Fund	C	A	$0.71	8.50%	1.00%
Fundamental Investors	A	B	0.67	5.75	none
Lutheran Brotherhood Municipal	B	B	0.86	5.00	0.50
Nationwide Fund	B	B	0.63	7.50	0.25
New Perspective	B	B	0.76	5.75	none
Pacific Horizon Aggressive Growth			1.51	4.50	none
Templeton Foreign	B	A	0.81	8.50	0.50
United Income	A	A	0.69	8.50	none
United Vanguard	B	B	0.96	8.50	none
Washington Mutual Investors	B	A	0.69	5.75	none

Sources: Morningstar Inc.; FORBES

You can buy a German company because everyone is clamoring for Europe, or you can buy it because it's cheap. David Fisher uses the latter approach.

An international perspective

By Suzanne L. Oliver

David Fisher, one of the six portfolio counselors of the New Perspective Fund, was recently walking through Prague's Wenceslas Square. He was startled to see an East German Trabant automobile painted gold and perched on four elephant-size plastic legs. Hanging on the awkward beast was a sign reading, "The only way this car can get around is on its legs." That should have made Fisher feel good. It emphasizes how badly Eastern Europe's industries need modernizing. All the better for his fund's investments in companies like West Germany's Bilfinger & Berger, a construction company. Firms like this will surely play a major role in rebuilding the Eastern European factories that produce such industrial atrocities as the Trabant.

Unlike other funds whose managers rushed into European investments in a fad-following swarm as the Berlin Wall came down, Fisher's New Perspective Fund has been looking at German stocks since it was created in 1973. It bought Bilfinger & Berger in 1985 at an average cost per share of $63, or 11 times earnings. Recently the stock traded at $588.

"We weren't smart enough to know what was going to happen in Eastern Europe, but we were smart enough to see that Bilfinger & Berger was a cheap stock," says Fisher, 50, who has been a portfolio counselor of the New Perspective Fund for 14 years. In addition, he is in charge of international research and comanages two other funds in the $30 billion American Funds Group of Los Angeles-based Capital Research & Management.

New Perspective, active internationally since it was started, now has 49% of its assets in foreign stocks. New Perspective's oldest overseas holding, Lend Lease Corp., dates back to 1975. Indeed, the portfolio has a very low turnover of 29% (against the average stock fund's 89%), which means that investors are not losing money to commissions and bid/ask spreads. Other expenses are held to 76 cents annually per $100 of assets, half the stock fund norm. The maximum sales charge is 5.75%, but you can duck that cost in some cases *(see story, p. 140)*.

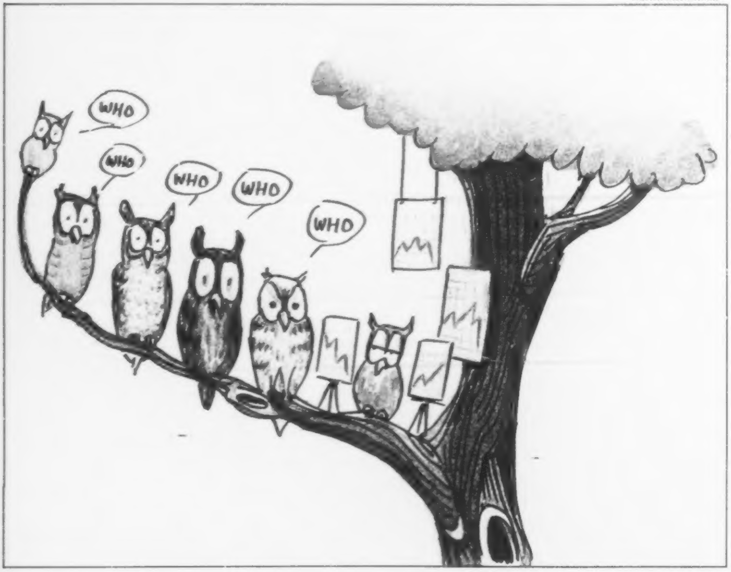
Wall Street's eyes are on Eastern Europe—some 20 funds specializing in that part of the world have come out in the past 12 months, according to Michael Lipper, the New York-based fund expert—but Fisher's "infrastructure" theme goes far beyond the Trabant in Wenceslas Square. "It is not just Eastern Europe where tremendous work needs to be done, but China, Thailand, Malaysia, Brazil, Argentina and Mexico," says Fisher. "We really believe that the globalization of the world will continue at a rapid pace."

Among other things, globalization means that the distinction between American multinationals and foreign multinationals is disappearing. "Look at Dow, ICI and Hoechst. Just from the product mix and geographical sales of the companies, you couldn't tell one from the other. The fact that one is based in the U.S., one in the U.K. and one in Germany is virtually immaterial," Fisher opines.

For example, New Perspective has many positions in Swedish stocks, but Fisher points out that only about 25% of the sales of these companies are made in Sweden; they are essentially international companies. So Fisher doesn't feel that the fund is overexposed in Sweden. This global view also works in the research department at American Funds, where analysts follow their industries around the world rather than by region, with the help of research bureaus in Hong Kong, Tokyo, Singapore, Geneva and London.

The firm's analysts pick stocks the old-fashioned way: by reading balance sheets. They compare a company's market capitalization to the price they figure an acquirer would pay for

Patrick McDonnell



A portfolio designed by a committee

If one smart money manager can produce superb results, what do you get from, say, four smart money managers? Often, mediocrity. Merrill Lynch's Liberty All-Star Equity Fund and Shearson's Multiple Opportunities Portfolio *(see p. 134)* are cases in point. The relatively poor showings of these two funds call to mind the old saying that a camel is a horse designed by a committee.

But here's a camel that runs like a horse. The rule that committees make poor fund managers has a dramatic exception at Capital Research & Management, a Los Angeles firm that runs the $30 billion American Funds Group family.

Each equity fund's assets are split among four to six portfolio managers. Another portion of a fund's assets is managed by analysts in the 80-person research department—a kind of apprentice system for future fund managers. Fund managers get bonuses based on the performance of their individual pieces of a portfolio, but, as shareholders in this employee-owned advisory company, they also benefit from the group's overall performance.

It's a system that rarely delivers extraordinary performance but does foster a degree of consistency and low risk seen in few other fund groups. American Funds Group has ten stock and balanced funds around long enough (two market cycles, or seven years) to be rated in the FORBES system. Every single one of them gets a B or A grade for downmarket performance. Two of them appear on the honor roll on page 126.

Jon Lovelace, 63, chairman of Capital Research and president of the New Perspective Fund, says investors are better off with a well-trained committee than with a single star. "If one manager leaves the fund, there are four or five others who know what to do," he says. Sponsors are also often better off with committees than with stars. How is Fidelity going to keep buyers interested in Magellan now that Peter Lynch is gone? Capital Research & Management doesn't have that sort of problem.—**S.L.O.**

the whole company. "We have no strict rules about price/earnings, price/book value or price/cash flow ratios," says Fisher. The style is reminiscent of the great John Templeton, who has certain definite, if hard to quantify, notions of value that he applies as readily in Malaysia as in the U.S. or the U.K. The Templeton Growth Fund has multiplied an original stake 120-fold since the fund opened in 1954, although in the past ten years it has fallen somewhat behind New Perspective.

New Perspective's eclectic positions begin with Philip Morris as the largest and range from Singapore Airlines to CS Holding, a Swiss bank, to Hutchison Whampoa of Hong Kong. Whampoa dates back to a 19th-century British trading house. Recently it joined a $3 billion bid for the junk bond portfolio of troubled Columbia Savings & Loan (FORBES, *Aug. 20*).

Capitalizing on the euphoria over the reawakening in Eastern Europe, brokers have rushed a steady stream of new European funds to market. The best way to invest, though, is not to dive into a wave of euphoria. Don't buy a fund merely because it specializes in some country that was hot last year. Better to pick a fund with a record of consistent performance in a variety of overseas markets. New Perspective is one of those funds. ■

Lost in the flurry of one-country fund issues, the Irish Investment Fund is trading at a very tempting discount to net assets.

A bargain

Patrick McDonnell

By Michael Fritz

Harry Hartford, manager of the recently launched Irish Investment Fund, peers out the window of his office in the Investment Bank of Ireland's Dublin headquarters. He sees construction cranes dotting the skyline.

Once-sleepy Dublin is waking up, as foreign financial outfits set up operations to take advantage of the country's attractive tax structure. The economy of the Republic of Ireland has come a long way from the dark days of the early 1980s. In the last decade Ireland has pared its budget deficit from 16% of GNP to 2.4% and reined in inflation from 20% to 4%, enabling the economy to expand at 3.5% annually.

All this has helped elevate the fledgling Irish stock exchange to star performer among equity markets. For

Liam Blake

Irish Investment Fund manager Harry Hartford
"The market is so small we know the companies intimately."

the five years ended December 1989, the Dublin exchange returned an average 47% annually, more than twice the gain for the S&P 500 and well ahead of the Japanese, German and U.K. markets. Yet Irish stocks still trade at a modest 10 times 1990 earnings, versus 12.6 for the S&P 500.

Want a piece of the action? The folks at the Bank of Ireland have created the Irish Investment Fund, a $55 million closed-end stock fund that invests at least 65% of its assets in publicly traded Irish companies.

Investors who bought the fund at its $12 initial offering price in March, a 7% premium to net asset value, aren't doing very well. The shares have sunk to 8⅝, or 21% under the recent $10.88 net asset value. Their loss is your gain. This could well be one of the better bargains among closed-end country funds, even with its 1.8% expense ratio.

With only 119 listings and a market capitalization of $13.2 billion, the Irish Stock Exchange is elfin: Last year's $5.7 billion trading volume roughly equaled a single day's trading volume on the NYSE.

"The market is so small we know all the companies quite intimately," says Hartford, 31, who studied economics at Dublin's Trinity College and Oklahoma State University.

The fund favors financial services, construction and food stocks, which are benefiting the most from Ireland's economic expansion. One of its largest holdings is Bank of Ireland competitor AIB Plc., which controls more than 40% of Irish retail bank deposits. AIB, which has already written off most of its Third World debt, trades at 7.4 times estimated 1990 earnings. Another big one is CRH Plc., Ireland's largest maker of cement, with a five-year annual earnings growth of 30% and a P/E of 9.6.

Power Corp. develops offices and shopping malls like the Trocadero retailing complex in London. Power's earnings have grown from 180,000 Irish pounds to 8 million pounds over the last five years, and the company is trading at a multiple of 14.3. But the real attraction is that, at a recent 1.48 Irish pounds per share, Power trades at a 31% discount to its asset value.

Assets and earnings aren't the only game. Hartford took a stake in conglomerate James Crean Plc., with operations in food manufacturing and distribution, aircraft leasing and electrical products, because he likes the management. "Raymond McLoughlin, Crean's managing director, is a master at making small acquisitions at low prices and then growing the businesses," says Hartford, who expects Crean's earnings to grow at a more than 15% rate for a good many years. He thinks the stock is a real buy at just 11 times 1990 earnings.

A closed-end Japanese investment company trading at a discount to its net asset value might or might not be a bargain, what with the Japanese market trading at such lofty multiples of earnings. But an Irish fund doesn't have that problem. ■

Serious connoisseurs of closed-ends don't stop at the border. They keep an eye on the discounts that pop up in London.

The British angle

By Peter Fuhrman

BRITAIN'S INVESTMENT TRUSTS are living financial fossils. Identical in most respects to U.S. closed-end funds, the trusts go back to the 19th century, when British capital was invested in U.S. railroads and land mortgages.

But they are sprightly fossils and worthy of consideration by U.S. investors. Most of them confine their portfolios to actively traded stocks. Their attraction for U.S. investors? Prices at often significant discounts to net assets, moderate expense ratios and, occasionally, excellent performance records. And now there is some prospect of takeovers that would shrink the discounts and provide a quick profit to shareholders.

The London Stock Exchange trades 200 investment trusts, with combined assets of $35 billion. They offer a tax advantage for British citizens, who pay taxes on undistributed capital gains only when they cash out. U.S. investors don't get that advantage but fare no worse than they would in a U.S. fund.

Performance? The best of them can hold their own with U.S.-based funds. GT Japan, for instance, has averaged a 24% compound annual return (in sterling) over the past five years; Foreign & Colonial, 15%. U.S. investors would have done considerably better, since the pound is perched 31% higher against the U.S. dollar than in July 1985.

But note that while currency fluctuations mean U.S. buyers of British trusts can wind up with better or worse returns than U.K. buyers, the currency risk of any fund is simply a function of the currencies of its portfolio stocks. For a U.S. investor, GT Japan has the same exposure to the yen, the Hong Kong dollar and so on that a U.S.-based fund buying the same stocks would have. Govett Atlantic is a British trust that invests almost solely in U.S. stocks. There is virtually no currency risk in it for a U.S. investor. If the dollar appreciates against the pound, Govett's portfolio will translate into a higher pound value—but the higher pound price of Govett shares in London will translate into the same dollar value as before.

Of course, you don't have to go to London to get exposure to overseas markets *(see foreign funds table, p. 212).* But a good reason for considering British investment trusts is that some of those rather plump discounts to net asset value may be narrowing in coming years, under pressure from raiders—as in the U.S. Until recently the British have viewed hostile raids on investment funds as just not cricket. All that changed in July, when the Globe Investment Trust, Britain's largest, with assets of nearly $2 billion, succumbed to a raid by the pension fund for British coal miners. The coal miners did well, buying up shares that started out at a 20% discount to net asset value and will be worth full value, since the pension fund will soon take control of the assets.

Patrick McDonnell

The table lists several of the larger British investment trusts that have good records. They might also attract bust-up bids. Bear in mind that you will have to pay a currency conversion commission as well as a stockbroker's commission to get into the funds. Another caution: Many investment trusts hold unquoted investments in real estate and corporate startups. Generally speaking, the higher the discount the greater the percentage of these illiquid assets.

Since the funds are careful to do nothing that could be interpreted as soliciting business in the U.S.—which would get them into trouble with our Securities & Exchange Commission—you may find it hard to get financial statements from your U.S. broker. But you can contact the funds directly for information. The best general resource is the Association of Investment Trust Companies, at 16 Finsbury Circus, London, EC2. This trade group will sell you a copy of the biannual *Investment Fund Index* (£7.50, Centaur Communications, London), which tracks the trusts and gives all the pertinent data on performance, portfolio weightings and dividends. The *Herzfeld Encyclopedia of Closed-End Funds* ($125, Herzfeld Advisors, Miami) has a chapter on London closed-ends. Share prices and net asset value discounts are quoted daily in the *Financial Times.*

The British will withhold 15% of any dividend payments, even if you choose to reinvest those dividends. The British take, however, can be set off against your U.S. taxes. Come Apr. 15, you must calculate what capital gain you would have received if the trust had been organized as a U.S. fund, and declare those gains on your tax return. Those phantom payouts will reduce the capital gain you will have to declare when you cash out of the trust.

Neither the currency conversions nor the tax hassles have scared smart investors away from investment trusts. Lazard Frères in New York has put together a limited partnership that invests heavily in them. It was a Lazard partner, Walter Eberstadt, who described investment trusts as "the biggest pool of undervalued liquid assets in the world." ■

Discounts over there

These U.K. investment trusts have a combined net worth of $5.5 billion but a combined market value of just $4.7 billion. That gap may narrow.

Fund	Assets ($mil)	Recent price	Discount to NAV	Annual expenses per $100	5-year appreciation rate[1]	Yield
American Trust	$263	$2.62	–17.7%	$0.42	7.5%	4.2%
British Inv Trust	862	11.34	–17.7	0.52	17.0	4.7
Fleming Far Eastern	685	3.60	–20.7	0.47	26.0	1.0
Foreign & Colonial	1,675	2.70	–15.5	0.20	21.8	2.4
Govett Atlantic	267	2.77	–15.9	0.50	8.3	3.1
GT Japan	241	2.92	–24.6	0.90	31.5	1.0
Scottish Eastern	757	1.01	–15.1	0.28	19.0	2.9
Scottish Investment	880	2.85	–17.8	0.29	17.1	3.4

[1] Compound annual appreciation to 7/31/90 in U.S. dollar value of trust's net assets per share. Assumes capital gains but not income dividends are reinvested.

Sources: Datastream; Investment Fund Index.

Real estate has been weak in the past few years—which makes it cheap now and potentially a good inflation hedge.

Real estate funds

By Suzanne L. Oliver

THE RESOLUTION TRUST CORP. is about to smother the real estate market with $17 billion in property. Office vacancy rates in Denver, Miami and Phoenix are all above 20%, according to Coldwell Banker. Real estate investment trusts (closed-end funds that own buildings or mortgages) have done terribly since 1987.

Sounds pretty grim. But Gregory Sigmund of A.G. Edwards & Sons in St. Louis reads in all this a bullish sign: If real estate is cheap, now is the time to get in. Sigmund, to be sure, has a bias. As an analyst who follows the realty trust industry and works for a broker that makes its money moving the merchandise, he would find it hard to declare that the whole sector should be avoided. But at least Sigmund, 28, takes an activist approach to research. He tries to "kick the bricks," with visits to as many as ten properties for each REIT.

A REIT, or real estate investment trust, is the real estate equivalent of a mutual fund. A "conduit" for tax purposes, like a mutual fund, it pays no federal income taxes itself and must distribute almost all of its taxable income to shareholders. An equity REIT gets most of that income from rents and capital gains, while a mortgage REIT gets its income from a portfolio of mortgage loans.

REITS aren't covered in our fund tables beginning on page 177, largely because they are so incomparable with other funds. Most funds own very liquid assets, namely, securities; REITS own buildings and mortgages, which are not liquid. We rate closed-end securities funds on their net asset value per share; the corresponding figure for a REIT, the book value, is not a meaningful measure of performance. Some REITS publish estimates of their liquidating value, but they are only estimates.

That said, REITS can be compared, and they make a very plausible vehicle for lowering risk in an investment portfolio. Equity positions in real estate are a hedge against inflation, and arguably a much better hedge than, say, precious metals. Buildings throw off income. Gold doesn't. Sigmund points out that the yield of equity REITS relative to the yield on government bonds is near its alltime high.

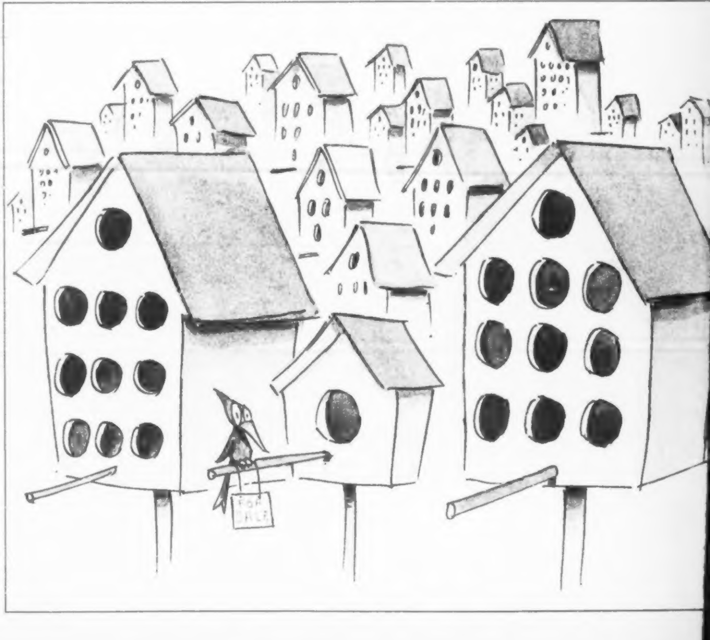
The first thing to look for in a REIT, Sigmund says, is an active and proven management. REITS vary greatly in how active they are. Some, like Federal Realty Investment, have a staff that seeks out properties, improves them and operates them. Others don't man
age the buildings they own. On
Pittsburgh & West Virginia Railroa
does nothing more than cash rent
checks on trackage.

In slow markets like today's, equit
REITS are able to upgrade their prope
ties and increase cash flow, whi
mortgage REITS are at the mercy
developers. Developers may let pro
erties go to pot or overreach them
selves—as VMS Realty Partners di
dealing a mighty blow to the eig
VMS mortgage REITS that had le
money to this syndicator. Lomas
Nettleton Mortgage Investors h
been dragged down by troubles of i
sponsor. Mortgage & Realty Trust h
gone Chapter 11.

Such casualties have helped bri
down the prices of many REITS
three-year lows. Result: Over the pa
three years equity REITS showed
average annual total return (sha
price gains plus dividends) of scarce
1%. But they look much better ov
the long haul, with a compound ave
age return through the end of 1989
16.7% a year, according to an ind
maintained by the National Associ
tion of REITS. The S&P 500 did slight
better with a 17.5% average retur
but with considerably more volatili
along the way.

In this collection are a few gem

Patrick McDon



Annual Fund Ratings

New Plan Realty has a ten-year average annual return of 26%. New Plan buys run-down shopping centers in the mid-Atlantic states at 50% of replacement cost or less, then renovates the properties. The company has $4 per share in cash, which should help it compete for new acquisitions. Sigmund expects a 9-cent increase in the dividend next year, to $1.14. The stock is one of the more expensive REITS, selling at 17 times expected 1990 cash flow, cash flow being defined as net income (excluding capital gains) plus depreciation.

Western Investment is a bet on population growth in California and Nevada. The REIT owns shopping centers in Carson City, Nev. and Redwood City, Calif., with tenants like Raley's and Savemart. Sigmund expects a $1.44 payout this year.

United Dominion Realty Trust is one of the few REITS focused on apartment acquisition. Since the tax law changes in 1986 limited the tax benefits of syndicating apartment buildings, few new apartments have been built and many apartment syndicators have been forced to liquidate. For United Dominion that has meant good buying opportunities in the Southeast and higher occupancy rates and rents. United Dominion's dividend yields 8.1% and has been growing at a 13.8% annual rate.

The best-performing REITS tend to trade at a premium to their likely liquidation value. MGI, in contrast, is trading at a 40% discount to Sigmund's estimated $18 liquidation value for the company. The stock has been weak ever since the company decided to switch from mortgages to equity stakes and cut the dividend in the process. But he says the trust has good capital gain potential.

Don't buy a REIT without reviewing its financials and its list of properties. If you don't have the time, there are a handful of stock mutual funds that buy REITS and other real-estate-related stocks. Fidelity Real Estate Investment Portfolio is the largest of these funds, with a 2.1% annual return over the past three years, in line with the REIT average. Discouraged about U.S. real estate, the fund's manager, Barry Greenfield, is keeping a defensive 10% of the fund's assets in cash. Another 12% is invested abroad. The drawback to a fund of REITS, of course, is the additional layer of fees. ■

The largest REITs

Most real estate investment trusts have done very poorly in the past five years. But they turned in good results in the early 1980s.

Company	Recent price	—Annualized return[1]— 5 years	10 years	Yield	Mkt cap ($mil)
Meditrust	17⅞	19.9%		12.8%	$335
Health Care Property Inv	32	17.0		9.3	365
New Plan Realty Trust	17½	15.9	26.1%	6.2	610
Weingarten Realty	25⅝	14.9		7.3	422
Washington REIT	17	13.9	19.9	6.4	263
Federal Realty Inv Trust*	19	13.6	20.4	7.4	318
Western Investment*	16⅜	13.2	19.0	8.6	261
Del-Val Financial[2]	17¼	13.2	16.8	11.1	99
Pennsylvania REIT	20	12.4	20.6	8.6	164
United Dominion Realty Trust*	15¼	11.1	21.3	8.1	177
IRT Property	11¼	10.8	20.0	10.3	137
Rockefeller Center Properties[2]	17⅝	9.4		10.7	661
Santa Anita	26	8.5	14.6	8.0	291
REIT of California*	14⅝	7.1	17.2	9.7	108
Nationwide Health Properties	16⅞	5.9		9.8	189
Capstead Mortgage[2]	14½	5.8		15.7	126
BRE Properties	26⅛	5.8	18.0	9.2	206
First Union Real Estate	14⅝	2.2	13.7	10.3	255
MGI Properties*	10½	–0.8	9.1	10.7	99
Property Capital Trust[3]	9¾	–3.2	10.5	24.7[4]	98

*Recommended by A.G. Edwards. [1]With dividends reinvested. Through 6/30/90. [2]Mortgage REIT. [3]Mortgage/equity hybrid. [4]Includes special dividend. *Sources: National Association of REITs; Forbes.*

If you look back over the 1980s, gold funds seem a rotten investment. But they do offer protection against Middle Eastern madmen and inflation scares.

The Hussein hedge

By Suzanne L. Oliver

BY ITSELF, gold isn't a good bet for your investment portfolio. Over the past century its price, adjusted for inflation, has inched up at less than a 1% annual rate, scarcely enough to pay for storage and insurance. Shares in gold mines aren't much better, except during years of rising inflation. The year 1979 was a great one for gold and gold shares. The past decade has been a disaster.

As an additive in a diversified portfolio, however, gold—bullion, gold stocks or gold funds—makes sense. Why so, when its recent record is rotten? Because gold is an inflation antidote, and inflation is not dead, just slowed down. If inflation got out of

WHOOP!
WHOOP!

Patrick McDonnell

hand again in the U.S., bonds—and probably stocks, too—would be hammered badly. But a small position in gold—say 5% or 10% of a portfolio—would make up some of the loss.

That is the selling proposition that keeps 30 precious-metals funds with assets totaling $4 billion in business. The mess in the Middle East and the 50% gain in the price of oil in the past month should bring a little more business their way. "Uncertainty is positive for the price of gold," says Kenneth Oberman, manager of the Oppenheimer Gold & Special Minerals Fund. "People like to have a store of value."

In theory, an astutely managed gold fund should be able to make good money even when inflation is abeyant, by trading gold positions for small gains. But even the best gold funds don't succeed at that with any consistency. Look at Ken Oberman, who started his fund in 1983 and proceeded to put it at the top of the heap. Oppenheimer Gold's five-year average annual return of 21% is twice that of the second-best-performing metals fund. But this year Oberman is flummoxed. His fund was down 16% for the first six months of 1990. What went wrong?

Oberman's earlier success, he says, was based on his observation of the relationship between the price of gold and the value of the dollar. He discovered that gold and the value of the dollar against a trade-weighted basket of foreign currencies have moved inversely to each other ever since the dollar was freed from gold in 1974. Peaks in the price of gold have occurred simultaneously with bottoms in the dollar. So Oberman used that relationship to predict the price of gold. If he thought the dollar was going down, he bought gold. When he thought the dollar was going up, he sold. The theory served him well, because he was pretty good at guessing where the dollar was going to go. He based those guesses on a lot of things: trade deficits, what the Federal Reserve was up to, and tax policy, for instance.

At the beginning of 1990 Oberman, expecting the dollar to weaken and gold, therefore, to strengthen, was totally invested in gold, platinum, silver and diamonds. But precious metals fell. "I feel like a jerk," Oberman was saying in an interview in July. And so he moved 25% of the fund's assets into cash—just in time to miss the beginning of the Hussein bull market for inflation hedges.

In his office high in the World Trade Center, the 60-year-old fund manager leans back in his reclining desk chair and studies the dollar/gold chart taped to his wall. The Mideast turmoil has boosted his fund's share value a little, but the long-standing inverse dollar/gold relationship is still a little out of whack. "I'm not willing to take what has been close to 20 years of history and throw it out the window simply because we've had five or six months of it not working," he says. There's really no telling if the formula will work again.

The table at left lists the better-performing gold funds. You can expect that even a mediocre one will provide some counterinflationary cushion. But you have to be very lucky to find one that performs well as an investment in its own right, as Oberman's fund did until his formulas stopped working. ■

The ones that glitter

Of the best-performing gold funds since 1985, only one beat the stock market. Their main value is as an insurance policy against inflation.

Fund	Assets ($mil)	Total return: 5 years (annualized)	Total return: last 12 months	Maximum sales charge	Annual expenses per $100
Oppenheimer Gold & Special Mins	$163	21.4%	3.3%	8.50%	$1.37
Franklin Gold Fund	279	12.8	10.1	4.00	0.78
Lexington Goldfund	121	10.8	1.7	none	1.42
Vanguard Special-Gold & Prec Metals	161	10.7	5.0	none§	0.45
IDS Precious Metals Fund	81	10.4	–2.9	5.00	1.46
SLH Investment-Precious Metals	69	9.3	–3.4	5.00b	2.45
Van Eck International Investors	699	8.6	11.0	8.50	0.88
United Services-Global Resources	32	8.5	–0.5	none	2.10
Freedom Inv-Gold & Government	69	8.4	6.7	3.00b	1.89
Bull & Bear Gold Investors	39	7.7	1.5	none	2.49p
S&P 500		17.3	16.4		

p: Net of partial absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. §Distributor may impose redemption fee whose proceeds revert to the fund.

It's one of the natural cycles of investment life. Closed-ends come out at a sucker's premium, shrink to discounts and thus attract raiders looking for a liquidation.

Duck shoot

By Richard Phalon

IT'S OPEN SEASON on deep discount closed-end investment companies. Opportunist money managers have under siege at least seven closed-end funds, including such popular underwritings of the last three or four years as the Brazil Fund, the Blue Chip Value Fund and the Nicholas-Applegate Equity Fund.

If you are a shareholder in one of these funds, you should welcome the attack. Before the raid, a closed-end fund may be trading at, say, 85 cents per dollar of assets that it owns. If the raid is successful, the fund is either liquidated at something close to 100 cents on the dollar or open-ended. An open-end fund is one whose operator is required to cash out any shareholder at 100 cents on the dollar.

If the raiders fail to force a liquidation or open-ending, the effect may nonetheless be positive: Buying pressure may boost the market price of your shares. Now, if and when you have to get out, you realize maybe 90 or 95 cents per dollar of assets, instead of only 85 cents.

The raiders, of course, are hoping that the erasing of the discount will take place as quickly as possible. The sooner they can cash out and redeploy their money on another arbitrage, the better their annual return.

The motives of the raiders are clear. "It's like buying 85-cent dollars," says Peter Thayer, 42, whose Gateway Investment Advisers, a Milford, Ohio-based money manager, pushed the $87 million Schafer Value Trust into liquidation in July. The Schafer score came some 11 months after Gateway picked up what Thayer says was a fast 50% return on its money by pressuring the Financial News Composite Fund into open-ending.

"We'll find more," crows Thayer. "When you look at the discounts, it's amazing how much opportunity you find." *(See table, p. 166.)*

The opportunities are there because so many closed-ends were formed during the bullish 1980s. A new closed-end is created when brokers persuade investors to pay (typically) $1.08 for each dollar of assets, the 8 cents being a commission for the broker. Given the likely course of events, it is exceedingly foolish to pay more than 100 cents on the dollar to get into a closed-end fund. Even paying 100 cents on the dollar isn't very smart, because odds are the fund will eventually droop to 85 cents on the asset dollar or even less. Nevertheless, during periods of rising stocks, willing victims can usually be found.

After a fixed allotment of shares has been sold, the fund's manager invests the proceeds in stocks and bonds, and the fund's shares trade in the secondary market like shares of any other corporation. In time, the excitement over the creation of a new fund diminishes and the price of the fund's shares shrinks, from $1.08 per dollar of assets to $1, and thence—usually, but not always—to some amount considerably less than $1. Then the raiders show up.

Depending on how well the portfolio manager has done in the meantime, the original investors may be sitting on a profit, even without a boost from a raid. But they would have done better to buy a no-load open-end fund run by the same portfolio manager or another manager of comparable abilities. The most you can get out of a raid is 100 cents per dollar of portfolio assets in the fund; that payout is guaranteed at all times in an open-end fund.

Sometimes the operator of a besieged closed-end quickly capitulates (the Japan Fund, for one, in 1987), but wars of attrition are more typical (as at Bancroft Convertible, the Cypress Fund and Liberty All Star). The fund manager's defense is that the closed-end structure, discount or no, ultimately benefits shareholders. Locked-in capital, they argue, makes for more consistent performance because the managers don't have to keep cash on hand to meet potential redemptions. Maybe, but locked-in capital also makes for a more consistent flow of advisory fees.

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Early death certainly did not seem to be in the cards when Schafer Value Trust came to market late in 1986. The fund had everything going for it: a highly regarded manager in David K. Schafer, whose Princeton, N.J.-based advisory firm runs $350 million in mainly institutional money; the prestige of a Lazard Frères & Co. underwriting; and a promising investment focus on big companies trading at low multiples of their earning power, such as Federal Express and Citicorp.

Like many of the other closed-ends brought out in a rush around the same time, though, Schafer Value had barely been fully invested when the market crash of 1987 hit. Stock that had sold on the underwriting at $9 a share plunged to $6, an insulting 20% below net asset value.

Like many other threatened closed-end managers, David Schafer worked at narrowing the discount by having the fund buy its own shares in the open market. Such repurchases benefit loyal shareholders, putting in their hands profits that might otherwise have gone to a raider. Consider this hypothetical situation. A fund has a portfolio worth $150 million and 10 million shares outstanding that trade at $12 each, a 20% discount to their $15 underlying value. If the manager were able to pick up 5 million of the fund's own shares at $12 each, he would shrink the portfolio value to $90 million but instantly boost the net asset value of each remaining share to $18.

Relative bargains

A closed-end fund trading at a big discount to its liquidating value is a potential bargain—especially if its performance is good and/or it is potential raider bait. But beware of high expenses. Here, we compare discounts to expenses in the "relative discount" column. This is calculated as the number of years it would take for the expenses to wipe out the benefit of the discount. (The number is roughly the same as the discount divided by the expense ratio.) These 30 funds score highest in relative discount among those in the main tables beginning on page 177.

Fund	Type	Recent price	Discount	Annual expenses per $100	Relative discount[1]
ASA Limited	foreign stock	49½	–21.0%	$0.51	46.1
Salomon Brothers	stock	12	–18.0	0.44	45.1
Tri-Continental Corp	stock	23⅜	–15.2	0.55	29.9
Baker, Fentress & Co	stock	18¾	–17.1	0.64	29.2
Adams Express	stock	16⅛	–12.6	0.51	26.3
Convertible Holdings[2]	balanced	15¾	–16.8	0.80	23.0
Counsellors Tandem Securities	stock	10	–21.9	1.08	22.8
Niagara Share Corp	stock	14¼	–19.0	1.08	19.4
General American Investors	stock	19	–18.3	1.04	19.4
American Capital Bond	taxable bond	16¾	–11.8	0.71	17.6
Lincoln National Income	taxable bond	24¼	–13.9	0.96	15.5
Scudder New Asia	foreign stock	15	–24.5	1.84	15.1
Royce Value Trust	stock	8⅞	–12.3	0.93	14.0
Quest For Value Dual[2]	stock	25	–11.0	0.83	13.9
Lincoln National Convertible Secs	balanced	12⅞	–12.2	0.94	13.7
Liberty All-Star Equity	stock	7⅞	–15.7	1.25	13.6
High Income Advantage Trust	taxable bond	5	–12.4	0.98	13.5
Independence Square Income Secs	taxable bond	14½	–12.3	0.97	13.5
Putnam Premier Income Trust	taxable bond	7⅛	–12.5	0.99	13.4
Prudential Intermediate Income	taxable bond	7½	–13.2	1.07	13.2
Putnam Master Inter Income Trust	taxable bond	7	–12.8	1.04	13.1
Excelsior Income Shares	taxable bond	15¼	–12.4	1.03	12.8
Circle Income Shares	taxable bond	10½	–11.4	0.98	12.3
Bancroft Convertible	balanced	17	–15.9	1.50	11.4
Castle Convertible	balanced	18¼	–12.9	1.20	11.4
Putnam Master Income Trust	taxable bond	7½	–11.2	1.06	11.2
H&Q Healthcare Investors	stock	10	–17.6	1.74	11.0
Asia Pacific	foreign stock	14	–17.3	1.72	10.9
Central Securities	stock	9	–17.7	1.83	10.6
Hampton Utils-Capital Shares	stock	10⅛	–12.1	1.45	8.8

Prices and discounts are as of Aug. 3, except for bond funds, which are as of Aug. 8. [1]Number of years after which expenses, continuing at current rates, would dissipate the benefit of buying the fund at its current discount and having it liquidated at full net asset value. [2]Dual fund, with capital and income shares treated as a unit. Due to be liquidated in 1997.

Why don't managers buy in shares more often? Because they don't want to shrink their portfolios. The advisory fee a manager collects is a percentage of the portfolio's value.

David Schafer's buy-ins didn't help much. Through 1988 Schafer Value struggled with a market price that averaged 17% below net asset value. Schafer managed to beat off the first of a series of open-end proposals advanced by an alliance of several groups that controlled 19% of the fund, but he was up against some serious players, one of which was the $2.5 billion Yale endowment. In March Schafer and his fellow directors approved a plan to liquidate, and shares that the raiders started buying at $6.25 were turned into checks for $10.25.

Given the kind of unwelcome attention discounts attract, some fund sponsors have decided to erase them by voluntarily switching to open-end structure. Among them: Prudential Strategic Income, Regional Financial Shares and Templeton Value.

Note that the raiders are not snapping at just any discount. Their focus is on situations where pressures for open-ending are likely to develop, but they don't want poor performers or ratty portfolios. The raider never knows how long it will take for his pressure to take effect, and he doesn't want to be in a situation where the asset value could simply melt away. Yale, a cautious player, has sizable positions in Nicholas-Applegate Equity (15% of outstanding); Royce Value (6% of outstanding); and the Morgan Grenfell Small Cap Fund (12%)—all good performers.

The raiders also tend to shy away from funds too large to intimidate. Thus, the discount on the $1.7 billion Tri-Continental Fund lingers at 15.2%. General American and Baker, Fentress have also escaped the sharks.

Says Thayer, "You may have to be patient, so you want managers with very, very good records." For the same reason, you also want funds with low expense ratios. No sense buying into an inept closed-end at a 10% discount, only to see the portfolio slowly eaten away for the next six years by a 2% annual expense ratio. ■

Watch your wallets. Lexington Management Corp. has reopened its Corporate Leaders Trust Fund for new business.

Tail end of trend?

By Michael Fritz

It's a good rule of thumb on Wall Street that when a quiet trend becomes a noisy fad the trend is about to reverse. Consider the matter of stock index funds, which are designed to mechanically replicate the performance of a stock average such as the Dow or the Standard & Poor's 500. They have lately become a fad. That suggests the possibility that the blue chips in these indexes are all overpriced, and that it's time to get out of index funds.

Investors are flocking to index funds now because so many actively managed funds did worse than the indexes in the 1980s, whereas the index funds, with their fixed portfolios, kept up.

Witness these events since the beginning of last year: Assets in Vanguard's S&P 500 fund have doubled, Fidelity and Dreyfus have opened copycat index funds, and Lexington Management Corp. has reopened its Corporate Leaders Trust Fund to new investors.

Corporate Leaders? It's scarcely a big name in the fund business, and at $92 million in assets may never be. But it is symptomatic that the fund, after 14 years of dormancy, has reawakened. Not only that, but Lexington Management is boldly marketing this passively managed fund with a 0.72% expense ratio (due to drop to 0.61% in the next financial report) and a 4% sales load.

Corporate Leaders is a strange beast. Though not literally an index fund, its rigid portfolio of 23 blue-chip stocks comes pretty close to tracking the Dow industrial average. As a result, the fund has beaten even the S&P 500 in recent years, a reflection of how popular stocks like Procter & Gamble and Chevron have become. But remember: This impressive performance is not a product of stockpicking skill but simply a reflection of how the Dow has outperformed the generality of stocks in recent years.

Founded as a trust in 1935, Corporate Leaders held equal weightings in 30 blue chips, half of them Dow stocks. The strict terms of the trust are reminiscent of Army discipline: Everything that is not mandatory is prohibited. No new companies can be added to the portfolio. A company can be removed only if it stops paying dividends, is delisted from the New York Stock Exchange, or is acquired. Since the fund's inception, just seven stocks have been removed.

An index sampler

An index fund is supposed to be managed passively and keep its expenses low. These funds do just that. None charges a sales commission, and most have expense ratios under 0.5%.

Fund	Index	Assets ($mil)	Expense ratio
Dreyfus Peoples	S&P 500	$19	0.20%p
DFA Small Co Port[1]	smallest 20% of stocks	838	0.62
Fidelity Spartan Mkt	S&P 500	29	0.28p
Vanguard Index 500	S&P 500	2,368	0.20
Vanguard Intl Equity*	Morgan Stanley EAFE[2]	100	0.32
Vanguard Ext Mkt*	Wilshire 4500	185	0.23
Vanguard Bond Mkt	Salomon Brothers bonds	171	0.24

*Imposes 1% load that reverts to fund.

[1] $50,000 minimum initial investment; offered via fee-only financial planners. [2] Index of stocks from Europe, Australia and Far East. p: Net of absorption of expenses by sponsor.

Sources: Lipper Analytical Services; Forbes.

Only once in its 55-year history did the managers of Lexington make a major portfolio decision, and, alas, they made it wrong. When AT&T disintegrated into eight companies in 1984, Lexington managers opted to keep only the parent and cash in the shares of the seven regional Bell companies. Since then the regionals have far outperformed the parent.

For a decade this passive fund was in the hands of none other than John Templeton, one of the giants of active money management. In 1959 Templeton acquired Corporate Leaders' advisory firm as part of a deal to gain access to a 400-man sales force, which hawked the fund through contractual plans. Templeton sold Lexington Research & Management in 1969 to Piedmont Management Co. Inc., an over-the-counter reinsurance holding company controlled by the heirs to the Richardson-Vicks fortune.

Lexington Management hasn't exactly shone under its new owners. It has three equity funds that are actively managed and at least a decade old: Goldfund, Growth Fund and Research Fund. All three trail the S&P 500 by 3 to as many as 13 percentage points annually, although the gold fund has done better than most other gold funds. Three new funds—with global, quantitative and bond portfolios—have attracted only $76 million in assets among them. A Piedmont director says the firm has felt out potential buyers for its beleaguered reinsurance operation, but it has yet to find any takers. Piedmont suspended its dividend last year.

Back to Lexington's Corporate Leaders. The sponsor clearly hopes to cash in on the vogue for index funds, but the fact that index funds have become a vogue suggests they have had their day. The nifty 500 have been beating the rest of the market for quite a while, and have probably reached a point where these institutional favorites are now overpriced.

Our advice to those about to buy an index fund: Not now. But if you must buy, at least get one with no sales load and with minimal operating expenses. ■

It makes no sense to buy a bond fund trading at a premium to net assets, but people put billions of dollars into such funds. How can they be so dumb?

Muni mystery

By Mark Fadiman

THE CLOSED-END FUND business has been warming up in the past several years, and one of the hottest spots in it right now is the tax-exempt sector. Since the beginning of last year, packagers like Allstate, Colonial Group and John Nuveen have poured into the market at least $6.5 billion in new closed-end municipal bond funds. Herein is a puzzling phenomenon. New closed-ends come to market at a premium of 7% or so over the value of their net assets, the premium largely representing a commission to the people who sell the fund. Yet experience shows that closed-end bond funds, in time, almost inevitably sink to discounts below their asset values. Thus, the original buyers are paying $1.07 for a mere dollar bill, which, moreover, one can reasonably predict will be worth only 95 cents or so a few years later. As a matter of fact, they could easily buy existing funds at a discount. How dumb can investors be?

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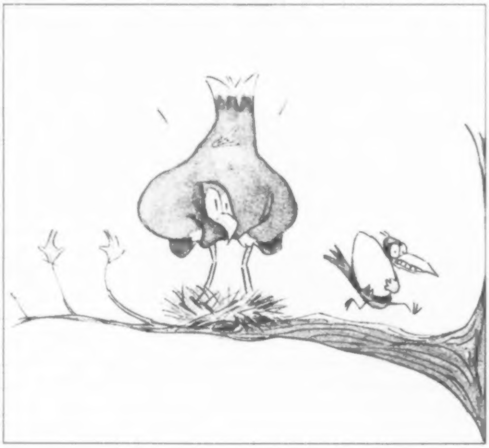


There are two plausible factors behind this mass delusion. One is that the buyers don't know exactly what a closed-end premium is. The other is that they don't have the foggiest notion of what a yield curve is. The buyers may not be dumb, but they sure are uninformed.

Consider first the matter of the premium. "This kind of product is sold, not bought," explains Thomas Herzfeld, a Miami-based money manager specializing in closed-ends. Herzfeld's numbers show bond funds eventually sink to an average 4% discount. Buyers do not approach retail brokers asking to get into a new closed-end. The brokers call them. They then talk a lot about yields and tax savings, and as little as possible about costs.

One former Shearson Lehman Brothers broker, who now works for a law firm, says it's all a question of semantics. "If an offering comes out at $10 a share, you can either offer it to the customer at $9 plus a $1 commission, or you can offer the share to the customer for $10 and not mention the sales charge. It's legalized nondisclosure." Posing as an ingenuous investor, this reporter called brokers at several large retail firms for information on new muni funds. Two doubletalked their way around the underwriting commission. A third lied, saying flatly there was no "up front" load on a new closed-end bond fund, there were only portfolio management fees.

The brokers can take steps to insure that the grim reality of discounts does not intrude upon the process too early. Many of the new funds are "supported" by the underwriters—a polite way of saying the brokers are doing what they can to dissuade sellers. "They tell you they'll take away your commission if your customer sells out of the fund," one PaineWebber broker complains. "That means you discourage your customer from selling even if you know damn well the fund is going to fall."

Sooner or later, though, the support stops. Nuveen Municipal Advantage, which came out last December at $15, a 6% premium over its net asset value, is still holding up pretty well on the New York Stock Exchange, at a 3% premium. Contrast New York Tax-Exempt Income, which came out in 1987 and has sunk to a 5% discount on the American Stock Exchange. Someone who bought that one new and sold today, incurring a second brokerage commission on the sale, would do about 13% worse than someone getting in and out of a no-load bond fund. That's a pretty big handicap in a tax-exempt fund—not quite two years' income.

Then there is the matter of the yield curve. What makes Nuveen Municipal Advantage and other funds like it so attractive is an artificially boosted yield. The Municipal Advantage portfolio of long-term bonds yields only 7% after expenses, yet the mutual fund is paying its investors at a rate of 7.7% of their net asset value. How is that possible? The fund is using leverage. Here's how it works: A third of its capital consists of preferred shares paying 5.5%, with the yield reset weekly. In effect, the fund is borrowing short to lend long, an old and dangerous game on Wall Street. It works beautifully until interest rates spike up, at which point the common shareholders are facing artificially depressed yields and unusually large capital losses.

"If you want to make a bet on munis, you should either buy the bonds themselves or a no-load open-end fund," says Robert Gordon, president of Twenty-First Securities. "Certainly you shouldn't buy closed-end funds at a premium." Indeed, he and others like him may be short-selling the premium muni fund you are tempted to buy. Don't be a dumb investor. Know what you are buying. ■

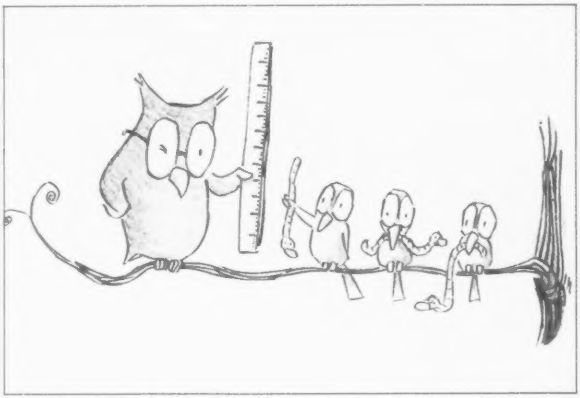
Annual Fund Ratings/Rules

FORBES RATES FUNDS separately in bull and bear markets. There are two advantages to this approach over a simple straight-line performance grade. One is that it makes explicit the fact that funds tend to do well in only one kind of market environment. The other is that it enables you to get a good sense of the risk in a fund. Funds with the worst bear market grades are the riskiest. This is key to an investment decision: You trade off risk against return.

The chart opposite displays the three market cycles over which we rate stock funds. Funds with records across three up periods are compared with one another and graded on the curve for bull market performance. Funds with only two segments of bull market performance are graded separately against one another. Bear market grades are awarded in similar fashion.

Balanced funds, which invest in a mix of stocks and bonds, are evaluated over the same market cycles as stock funds. But they have their own grading pools. We generally consider convertible bond funds and "asset allocation" funds that switch between stocks and bonds to be balanced.

Foreign stock funds are graded against one another in a similar way. But their up and down segments, which are defined by a Morgan Stanley index, are different; see the chart on page 212. Taxable bond funds are rated against the Merrill Lynch index shown on page 220. Municipal bond funds (page 230) are given separate up and down market grades for performance over the past five years. For them, the five-year period is divided into individual one-month up or down segments as defined by a Shearson Lehman municipal bond index.



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The "average annual total return" shows the compound annual return of the fund over three full market cycles. This and the other performance figures—yield and 12-month total return—are net of expenses taken off the top by the fund sponsor. That's because expenses come out before dividends are distributed. Those distributions are in turn used, along with the fund net asset values printed in the daily newspapers, to calculate a performance figure. In the calculation of total return we assume that a distribution is reinvested in additional shares of the fund at the end of the month in which the payout went ex-dividend.

Why do we print expense ratios if overhead costs are already reflected in performance numbers? Because they are the one component of performance that is very predictable. A lucky manager can put his fund at the top of a chart in spite of an excessive management fee or high overhead. The next year he may not be so lucky. But management fees and other expenses will continue as a drag on performance. Expenses as we define them include management fees, 12b-1 "distribution" fees and overhead. They do not include interest or brokerage commissions for the fund's trading.

Our performance numbers—both those displayed in the tables and those used to award grades—do not take into account sales charges. Thus we are measuring portfolio management skills rather than investment results. The only exception is in the "hypothetical investment results" column of the honor roll (page 126). Performance and other data are as of June 30.

Sometimes a fund sponsor merges a large fund with a bad record into a small fund with a clean record. We treat this transaction as if the merger had gone the reverse way, thus preserving the large fund's performance history. This explains why our performance numbers for several funds differ from those claimed by the funds. Also, we do not expunge a fund's history when its management changes hands.

Funds marketed by several brokers, including Merrill Lynch and Pru-Bache, give investors a choice between shares with a declining back-end load and fairly high 12b-1 fees, and shares with a front-end load and little or no 12b-1 fees. We report performance for the latter type of shares but assets for the entire fund.

Yield is the sum of dividends from investment income over the past 12 months, divided by the June 30 net asset value. It may differ from the 30-day yield as defined by the Securities & Exchange Commission.

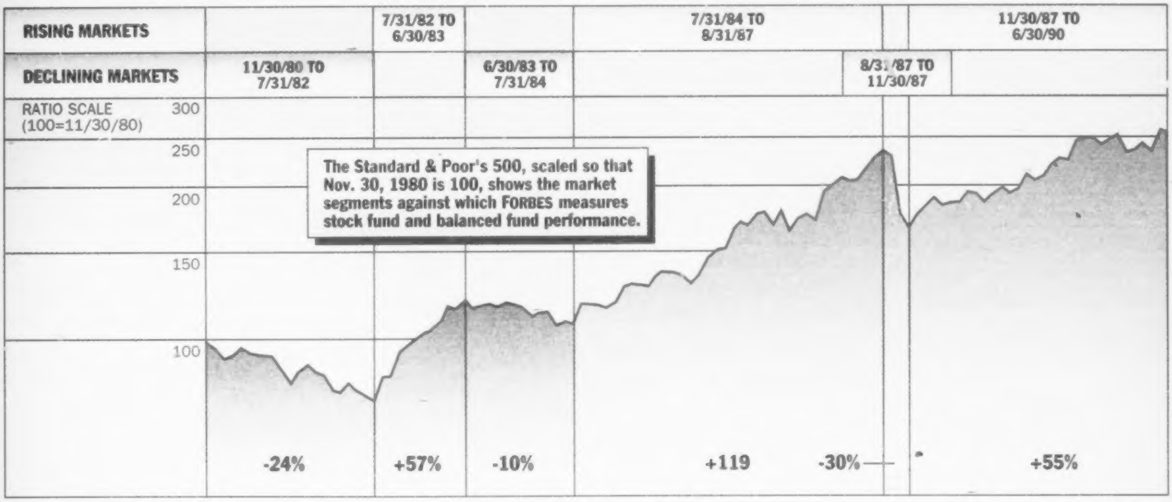
To be included in the annual survey a fund must have a minimum investment below $100,000 and be open to the general public. An exception to the latter rule is made for certain widely held membership-only funds, such as those of the American Association of Retired Persons. A fund must have 12 months of performance data before we add it to our catalog.

A stock or balanced fund is added to the survey when it reaches $5 million in assets and dropped when assets fall below $2 million. Taxable bond funds must have either $100 million in assets or $25 million and either a foreign portfolio or enough history to be rated. Municipal bond funds must have either $100 million in assets or $25 million and a single-state portfolio. Taxable money markets must have $500 million in assets; tax-free money markets, $100 million or $25 million and a single-state portfolio.

Much of the raw data for this issue come from CDA Investment Technologies in Rockville, Md. and Lipper Analytical Services in New York City. ■

Stock funds

FORBES rates stock funds over the three market cycles shown in the chart below. To be rated, a fund must have been in existence for at least two of the market cycles, that is, since June 30, 1983. Foreign stock funds, a category that includes most gold funds, are rated separately against a different benchmark (see page 212). Performance and other data are as of June 30, 1990. For more information about a fund, call or write the distributor listed after the fund name, using the table of distributors that begins on page 248. Closed-end funds have no distributor; they can be bought and sold in the secondary market through a broker, like shares of industrial companies. The average annual total return is compounded; it and other performance numbers are calculated after deducting expenses but before sales load.



The Standard & Poor's 500, scaled so that Nov. 30, 1980 is 100, shows the market segments against which FORBES measures stock fund and balanced fund performance.

Performance in UP —markets—	in DOWN	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		AAL Capital Growth Fund/AAL Mutual	—*	16.8%	2.1%	$143	155%	4.75%	*$1.40p*
		AARP Growth–Capital Growth/Scudder	—*	1.3	0.6	219	50	none	1.11
		AARP Growth–Growth & Income/Scudder	—*	7.0	4.3	269	23	none	1.08
C	D	**ABT Growth & Income Trust/ABT**	10.0%	5.5	4.4	96	–7	4.75	*1.23*
•A	•D	**ABT Invest–Emerging Growth/ABT**	—*	16.5	none	20	–4	4.75	*1.78*
•D	•A	**ABT Invest–Security Income/ABT**	—*	–4.2	5.9	5	–32	4.75	*2.32*
D	A	**ABT Utility Income Fund/ABT**	11.5	11.6	6.2	144	24	4.75	*1.21*
B	C	**Acorn Fund/Acorn**	14.5	12.3	1.3	953	29	none§	0.73
		Adam Investors/Siebel	—*	17.5	5.1	4	43	none	1.71
D	B	**Adams Express/closed-end**	12.5	16.5	3.9	567	11	NA	0.51
		Advance Amer–Equity Inc/Oppenheimer	—*	2.5	2.5	11	15	4.75	*2.29p*
		Advantage Growth Fund/Advest	—*	13.4	1.2	30	8	4.00b	*2.33*

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. §Distributor may impose redemption fee whose proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 248. Rules, page 176

Annual Fund Ratings

Performance in UP	in DOWN —markets—	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expense per $10
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
C	B	Affiliated Fund/Lord Abbett	14.4%	11.1%	4.4%	$3,554	2%	6.75%	*$0.42*
F	C	Afuture Fund/Afuture	2.9	0.9	0.9	7	–15	none	1.50p
C	B	Aim Equity–Charter Fund/AIM	13.0	23.7	3.6	90	36	5.50	*1.37*
A+	F	Aim Equity–Constellation Fund/AIM	12.1	33.4	0.1	129	53	5.50	*1.30*
A+	D	Aim Equity–Weingarten Equity/AIM	16.1	30.6	0.5	684	101	5.50	*1.27*
•B	•D	Aim Summit Fund/AIM	—*	19.6	1.9	306	43	**	0.82
		Alger Fund–Growth/Alger	—*	30.1	none	7	30	5.00b	*3.21*
		Alger Fund–Small Capitalization/Alger	—*	33.6	none	31	300	5.00b	*2.75*
		Alliance Counterpoint Fund/Alliance	—*	1.4	1.2	57	8	5.50	*1.66*
B	D	Alliance Fund/Alliance	11.0	14.4	2.0	724	–12	5.50	*0.75*
C	B	Alliance Growth & Income[1]/Alliance	15.1	12.5	3.6	370	1	5.50	*1.07*
A+	D	Alliance Quasar Fund/Alliance	14.4	2.5	none	343	84	5.50	*1.10*
A+	•D	Alliance Technology Fund/Alliance	—*	25.8	none	166	11	5.50	*1.66*
D	D	AMA Family of Funds–Classic Grow/AMA	8.1	6.5	3.2	17	–50	none	*1.76*
		AMA Family of Funds–Growth + Inc/AMA	—*	6.7	2.4	9	–20	none	*2.10*
C	B	Amcap Fund/American Funds	14.7	14.6	2.5	2,163	14	5.75	*0.72*
C	A	American Capital Comstock/American Cap	15.5	15.9	3.5	952	5	8.50	0.69
B	D	American Capital Enterprise/American Cap	10.4	16.3	3.5	602	6	5.75	*0.78*
B	D	American Capital Exchange Fund/‡	11.1	19.8	2.2	41	–9	none	0.77
C	A	American Capital Pace Fund/American Cap	16.3	13.5	2.9	2,457	2	5.75	*0.72*
D	A	American Capital Venture/American Cap	13.2	24.8	1.5	242	25	5.75	*0.97*
		American Gas Index Fund/Rushmore	—*	10.8	4.5	93	189	none	0.75
D	A	American Growth Fund/American Growth	9.7	12.4	4.0	59	–2	8.50	1.32
C	F	American Investors Growth/Amer Investors	0.5	15.3	0.4	73	13	8.50	1.55
D	A	American Leaders Fund/Federated	15.2	7.0	4.3	150	0	4.50	*1.02p*
D	A	American Mutual Fund/American Funds	16.1	10.9	4.9	3,492	18	5.75	*0.59*
B	C	American National Growth/Securities Mgmt	13.6	12.1	2.7	107	4	8.50	1.06
D	A	American National Income/Securities Mgmt	14.9	12.8	4.2	74	13	8.50	1.17
		AMEV Advantage–Capital Apprec/AMEV	—*	35.1	0.1	23	118	4.50	*1.80*
A	B	AMEV Capital Fund/AMEV	15.2	18.4	1.6	159	26	4.75	*1.16*
A	•C	AMEV Fiduciary Fund/AMEV	—*	19.3	0.7	35	16	4.50	*1.42*
A	C	AMEV Growth Fund/AMEV	15.2	23.3	0.2	256	22	4.75	*1.01*
C	C	Amway Mutual Fund/Amway	11.1	21.7	0.9	41	14	6.50	1.20
D	A	Analytic Optioned Equity Fund/Analytic Option	11.3	9.7	3.7	108	–2	none	1.09
		API Trust–Growth/Amer Pension	—*	3.5	0.8	31	–4	none	*2.60*
D	C	Armstrong Associates/Armstrong	7.9	5.6	3.3	10	0	none	1.90

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Exchange fund, not currently selling new shares. **Availabl only through monthly contractual plan. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in forc* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. [1]Formerly Alliance Dividend Shares.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP —markets—	**Performance** in DOWN —markets—	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		ASO Outlook Group–Equity/Winsbury	—*	10.9%	2.8%	$15	314%	none	$1.21p
		Associated Planners Stock Fund/Assoc Plan	—*	21.2	1.5	20	34	4.75%	2.26
A	F	**Axe-Houghton Stock Fund/Axe**	9.0%	19.0	0.7	70	14	none	*1.60*
		Babson Enterprise Fund/Jones & Babson	—*	8.7	1.4	96	33	none	1.24
C	D	**Babson Growth Fund/Jones & Babson**	11.3	6.1	2.4	259	–3	none	0.86
		Babson Value Fund/Jones & Babson	—*	4.5	2.7	25	123	none	1.06
		Baird Blue Chip Fund/Baird	—*	20.5	1.8	33	63	5.75	*1.80*
		Baird Capital Development Fund/Baird	—*	18.9	0.5	23	18	5.75	*1.80*
D	B	**Baker, Fentress & Co/closed-end**	11.7	0.1	3.0	447	–6	NA	0.64
		Baron Asset Fund/Baron	—*	–2.2	1.1	55	74	2.00b	*1.78p*
●D	●A	**Bartlett Capital–Basic Value/Bartlett**	—*	5.3	6.8	109	2	none	1.19
●D	●A	**Bascom Hill Investors/Madison**	—*	–5.0	5.4	9	–2	none	1.16
D	B	**Beacon Hill Mutual Fund/Beacon Hill**	11.0	17.2	none	4	18	none	3.57
		Benham Gold Equities/Benham	—*	9.8	0.5	79	452	none	1.00
B	D	**Berger One Hundred Fund[1]/Berger**	11.7	28.0	0.1	19	59	none	*1.62*
C	A	**Bergstrom Capital/closed-end**	18.2	17.8	1.5	73	9	NA	0.97
		Berwyn Fund/Berwyn	—*	0.7	0.7	14	13	none§	1.42
		Blanchard Precious Metals Fund/Sheffield	—*	–12.5	0.5	30	19	none[2]	*2.95*
		Blanchard Strategic Growth/Sheffield	—*	7.9	2.5	243	–2	none[2]	*2.28*
		Blue Chip Value Fund/closed-end	—*	11.8	10.2	73	1	NA	1.38
B	C	**Boston Co Capital Appreciation/Boston Co**	13.8	7.3	2.1	606	11	none	*1.23*
		Boston Co Special Growth Fund/Boston Co	—*	–0.8	1.7	44	–6	none	*1.80*
		Brandywine Fund/Brandywine	—*	31.8	0.2	287	94	none	1.12
D	B	**Bridges Investment Fund/Bridges**	10.9	15.1	4.1	12	21	none§	1.02
C	D	**Bull & Bear Capital Growth/Bull & Bear**	8.2	17.3	none	72	2	none	*2.66*
D	B	**Bull & Bear Equity-Income Fund/Bull & Bear**	10.2	7.2	3.5	11	–8	none	*2.98*
		Bull & Bear Finl News Comp/Bull & Bear	—*	12.4	2.7	10	–84	none	*1.53*
		Bull & Bear Special Equities/Bull & Bear	—*	44.3	none	32	731	none	*3.50p*
D	A	**Burnham Fund/Burnham**	13.0	8.8	5.8	133	–22	5.00	1.08
		Calvert Ariel Growth Fund/Calvert	—*	8.7	1.4	248	169	†	*1.41*
●B	●C	**Calvert Fund–Capital Value[3]/Calvert**	—*	15.7	1.2	10	30	4.50	*1.48*
		Calvert Fund–Washington Area Gr/Calvert	—*	–12.1	none	16	–21	4.50	*2.41*
		Calvert Social Inv–Equity/Calvert	—*	11.8	1.3	22	296	4.50	0.21p
C	B	**Capital Exchange Fund/‡**	12.7	20.9	2.0	79	12	NA	0.89
		Capital Income Builder/American Funds	—*	9.6	5.2	222	28	5.75	*1.11*
		Capstone EquityGuard Stock/Capstone	—*	–4.5	2.5	2	–55	4.75	2.50p

●Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. ‡Exchange fund, not currently selling new shares. §Distributor may impose redemption fee whose proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly One Hundred Fund. [2]Flat fee of $125 on initial investment. [3]Formerly Calvert Fund–Equity.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP —markets—	Performance in DOWN —markets—	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
C	A	**Cardinal Fund/Cardinal**	15.8%	10.1%	4.8%	$198	27%	8.50%	$0.71
		Carnegie-Cappiello–Growth/Carnegie	—*	14.2	1.5	78	31	4.50	*1.41*
		Carnegie-Cappiello–Total Return/Carnegie	—*	4.7	5.0	81	16	4.50	*1.70*
		Cashman Farrell Value Fund/Capstone	—*	–4.0	2.7	10	1	4.75	1.66p
D	D	**Central Securities/closed-end**	8.7	–6.1	0.9	123	–2	NA	1.83
C	A	**Century Shares Trust/Century Shares**	17.1	15.2	2.7	143	12	none	0.94
A+	B	**CGM Capital Devel[1]/New England**	20.3	24.4	1.6	208	8	†	0.90
		Champion High Yield Fund/Oppenheimer	—*	5.9	12.9	16	–31	4.75	*1.41*
B	B	**Chestnut Street Exchange Fund/‡**	15.0	17.5	2.3	171	11	NA	0.60
		Cigna Aggressive Growth Fund/Cigna Mutual	—*	18.7	0.2	12	–6	5.00	*1.25p*
B	C	**Cigna Growth Fund/Cigna Mutual**	12.3	23.3	1.8	187	5	5.00	*1.00*
		Cigna Utilities/Cigna Mutual	—*	12.8	5.2	67	81	5.00	*1.05p*
		Cigna Value Fund/Cigna Mutual	—*	28.5	2.6	91	33	5.00	*1.00p*
		Clipper Fund/Pacific Finl	—*	0.9	2.4	151	45	none	1.18
A	D	**Colonial Growth Shares Trust/Colonial**	13.1	13.3	1.6	133	21	6.75	*1.07*
		Colonial Small Stock Index Trust/Colonial	—*	0.4	0.3	43	–8	4.75	*1.68*
D	B	**Colonial Strategic Inc–Diversified/Colonial**	8.7	4.1	10.4	433	–22	6.75	*1.10*
		Colonial Strategic Inc–Inc Plus/Colonial	—*	1.4	11.7	79	–27	6.75	*1.15*
		Colonial US Equity Index Trust/Colonial	—*	14.2	1.9	38	13	4.75	*1.64*
		Colonial VIP Equity–Div Return/Colonial	—*	5.5	2.8	27	127	5.00b	*2.25p*
		Colonial VIP Equity–Growth[2]/Colonial	—*	3.1	0.6	12	75	5.00b	*2.25p*
		Colonial VIP Equity–Inflation Hedge/Colonial	—*	11.9	2.7	6	43	5.00b	*2.25p*
A	C	**Columbia Growth Fund/Columbia**	15.3	16.6	2.2	329	38	none	0.92
		Columbia Special Fund/Columbia	—*	18.7	0.1	142	124	none	1.25
		Common Sense–Growth/Common Sense	—*	18.5	1.5	988	47	8.50	1.63
		Common Sense–Grow & Inc/Common Sense	—*	15.5	2.4	402	77	8.50	1.39
D	A	**Commonwealth Inv–Growth[3]/Trusteed**	14.6	10.5	3.8	8	17	7.50	1.25
D	A	**Composite Growth Fund/Murphey Favre**	13.2	0.9	4.5	70	–3	4.00	*1.18*
		Composite Northwest 50 Fund/Murphey Favre	—*	28.9	0.5	45	360	4.50	*1.41*
		Connecticut Mutual–Growth/Phelps	—*	18.2	4.0	39	22	6.25	1.17
D	•A	**Copley Fund/Copley**	—*	6.0	none	30	18	none	1.86p
		Counsellors Capital Appreciation/Counsellors	—*	9.8	1.9	74	45	none	1.05
		Counsellors Emerging Growth/Counsellors	—*	4.5	2.9	31	35	none	1.25p
		Counsellors Tandem Securities/closed-end	—*	14.2	1.8	65	–35	NA	1.08
C	C	**Country Capital Growth Fund/Country Cap**	12.3	15.9	3.7	82	10	3.00	0.84
		Cowen Income + Growth Fund/Cowen	—*	2.5	4.3	44	–2	4.85	*2.05*

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. ‡Exchange fund, not currently selling new shares. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly Loomis-Sayles Capital Development. [2]Formerly Colonial VIP–Aggressive Growth. [3]Formerly GPM Fund.

Distributor table, page 248. Rules, page 176.

Performance in UP markets	**Performance** in DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets 6/30/90 ($mil)	Assets % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		Cowen Opportunity Fund/Cowen	—*	33.2%	none	$9	27%	4.85%	*$3.28p*
		Cypress Fund/closed-end	—*	1.7	none	63	–28	NA	3.05p
C	C	Dean Witter American Value/Dean Witter	10.6%	12.3	2.0%	101	11	5.00b	*1.66*
•D	•D	Dean Witter Devel Grow Secs/Dean Witter	—*	27.0	0.4	97	14	5.00b	*1.94*
C	•A	Dean Witter Div Grow Secs/Dean Witter	—*	10.3	3.3	3,111	45	5.00b	*1.41*
C	•C	Dean Witter Natural Res Dev/Dean Witter	—*	14.2	3.2	159	17	5.00b	*1.81*
		Dean Witter Option Income/Dean Witter	—*	7.1	5.3	179	–23	5.00b	*2.06*
		Dean Witter Utilities Fund/Dean Witter	—*	7.3	5.8	1,268	92	5.00b	*1.68*
		Dean Witter Value-Added Mkt/Dean Witter	—*	6.1	1.7	148	90	5.00b	*1.94*
D	A	Delaware Group Decatur Fund–I/Delaware	15.5	3.0	6.3	1,850	7	8.50	0.67
		Delaware Group Decatur Fund–II/Delaware	—*	6.1	4.8	374	46	4.75	*1.24*
		Delaware Group DelCap Fund–I/Delaware	—*	17.8	0.8	192	62	4.75	*1.42*
A+	C	Delaware Group Trend Fund/Delaware	16.4	14.1	0.5	88	31	8.50	1.30
		Delaware Group Value Fund/Delaware	—*	3.5	1.1	10	3	4.75	*1.72*
B	D	Depositors Fund of Boston/‡	11.7	15.2	1.9	58	2	NA	0.85
B	C	Diversification Fund/‡	13.8	16.3	1.8	69	9	NA	0.85
F	•B	Dividend/Growth–Dividend/Dividend Growth	—*	9.3	3.2	2	–14	none	2.49
A	B	Dodge & Cox Stock Fund/Dodge & Cox	16.3	15.5	3.0	157	58	none	0.65
		Dover Regional Financial Shares/closed-end	—*	–22.0	2.3	5	–25	NA	1.96
		Dreyfus Capital Value Fund/Dreyfus	—*	–3.4	6.3	679	17	4.50	*1.22*
D	A	Dreyfus Fund/Dreyfus	13.0	14.4	4.8	2,747	16	none	0.75
C	D	Dreyfus Growth Opportunity Fund/Dreyfus	8.3	7.4	4.4	512	–12	none	1.00
		Dreyfus Index Fund/Dreyfus	—*	15.3	3.1	66	53	none	0.85
D	B	Dreyfus Leverage Fund/Dreyfus	11.6	13.6	4.3	474	2	4.50	1.58
		Dreyfus New Leaders Fund/Dreyfus	—*	16.3	1.3	183	87	none	*1.37*
		Dreyfus Strategic Aggres Inv LP/Dreyfus	—*	6.3	none	80	–40	3.00	*3.06p*
		Dreyfus Strategic Investing/Dreyfus	—*	14.9	1.1	112	10	4.50	*2.09p*
D	C	Dreyfus Third Century Fund/Dreyfus	9.6	19.5	2.5	197	23	none	1.04
D	B	Eagle Growth Shares/Baxter	9.2	–1.3	0.3	4	42	8.50	1.53p
		Eaton Vance Equity-Income/Eaton Vance	—*	5.6	5.5	42	791	6.00b	*1.25p*
B	B	Eaton Vance Growth Fund/Eaton Vance	14.3	18.8	0.9	91	7	4.75	*0.99*
D	B	Eaton Vance Special Equities/Eaton Vance	11.6	25.3	none	59	15	4.75	*1.22*
C	B	Eaton Vance Stock Fund/Eaton Vance	13.5	18.5	3.5	88	7	4.75	0.90
D	•A	Eaton Vance Total Return/Eaton Vance	—*	8.8	6.1	480	–1	4.75	*1.15*
		Eclipse Financial Asset–Equity[1]/Eclipse	—*	3.5	2.2	200	8	none	1.09
A	F	Engex/closed-end	6.0	3.5	2.2	12	–6	NA	2.25

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period ‡Exchange fund, not currently selling new shares. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force* b: Includes back-end load that reverts to distributor p: Net of partial absorption of expenses by fund sponsor NA: Not applicable or not available [1]Formerly Eclipse Equity Fund

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annu expen per $1
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		Enterprise Group–Cap Apprec[1]/Enterprise	—*	25.4%	none	$13	205%	4.75%	*$2.50*
B	B	**Enterprise Group–Growth/Enterprise**	15.9%	14.3	0.2%	61	27	4.75	*2.50*
		Enterprise Group–Growth & Inc/Enterprise	—*	4.0	3.6	35	65	4.75	*2.50*
		Equitable Funds–Growth/Equitable	—*	12.0	none	19	101	5.00b	*2.00*
		Equitec Siebel Aggressive Growth/Equitec	—*	12.1	0.4	32	–9	5.00b	*2.20*
		Equitec Siebel Total Return Fund/Equitec	—*	12.9	3.5	126	–4	5.00b	*1.94*
B	•C	**Equity Strategies Fund/EQSF**	—*	51.4	2.9	69	39	†	1.28
		Evergreen American Retirement/Lieber	—*	5.0	5.9	12	19	none	1.88
B	C	**Evergreen Fund/Lieber**	12.5	1.9	2.9	733	–7	none	1.14
		Evergreen Global Real Estate/Lieber	—*	9.5	1.7	7	18	none	2.00
•A	•B	**Evergreen Limited Market Fund/Lieber**	—*	8.4	2.0	42	17	†	1.30
D	A	**Evergreen Total Return Fund/Lieber**	14.9	1.5	6.0	1,239	–9	none	1.18
		Evergreen Value Timing Fund/Lieber	—*	11.2	4.3	39	35	none	1.54
		Excel Midas Gold Shares/Excel	—*	6.9	none	9	–16	4.50	*2.20*
D	•B	**Excel Value Fund/Excel**	—*	6.1	3.5	3	–25	4.50	*3.12*
B	C	**Exchange Fund of Boston/‡**	13.3	13.1	1.9	64	7	NA	0.83
D	•C	**Fairmont Fund/Fairmont**	—*	–7.6	1.4	26	–51	none	1.62
D	C	**FBL–Growth Common Stock/FBL**	7.2	9.9	5.6	36	–3	5.00b	*1.62*
C	C	**Federated Exchange Fund/‡**	12.4	8.5	2.6	94	–3	NA	1.07
		Federated Growth Trust/Federated	—*	17.3	4.0	180	29	none	1.01
C	•A	**Federated Stock Trust/Federated**	—*	4.2	3.4	4[illegible]	–26	none	1.00
		Fidelity Blue Chip Growth Fund/Fidelity	—*	29.6	0.8	149	229	3.00b	1.35
		Fidelity Capital Appreciation/Fidelity	—*	4.4	1.5	2,074	–5	3.00b	1.14
A	B	**Fidelity Congress Street Fund/‡**	17.2	23.1	2.9	63	10	none	0.62
A	D	**Fidelity Contrafund/Fidelity**	14.4	24.7	1.4	537	178	3.00	0.95
A	B	**Fidelity Destiny Portfolio I/Fidelity**	18.9	12.1	2.7	1,833	10	**	0.56
		Fidelity Destiny Portfolio II/Fidelity	—*	14.3	1.7	221	54	**	0.92
		Fidelity Disciplined Equity/Fidelity	—*	20.5	0.9	125	334	3.00§	1.28
C	A	**Fidelity Equity Income Fund/Fidelity**	16.0	–0.5	6.9	4,739	–1	2.00	0.7
B	C	**Fidelity Exchange Fund/‡**	14.8	18.0	2.9	169	6	none	0.58
•A	•C	**Fidelity Freedom Fund/Fidelity**	—*	20.5	2.4	1,614	20	none	0.92
B	B	**Fidelity Fund/Fidelity**	14.6	12.9	3.8	1,154	16	none	0.64
		Fidelity Growth & Income/Fidelity	—*	10.9	4.4	1,901	43	2.00	0.86
•A	•D	**Fidelity Growth Company/Fidelity**	—*	28.7	0.7	673	205	3.00	0.95
A+	B	**Fidelity Magellan Fund/Fidelity**	23.1	16.7	2.4	14,039	31	3.00	1.03
		Fidelity OTC Portfolio/Fidelity	—*	10.5	2.5	729	–5	3.00	1.33

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. ‡Exchange fund, not currently sell new shares. **Available only through monthly contractual plan. §Distributor may impose redemption fee whose proceeds revert to the funds. *Expense ratio is in itali the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of par absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly Enterprise Group–Aggressive Growth.

Distributor table, page 248. Rules, page 176.

Performance in UP	in DOWN —markets—	Fund/distributor	Total return Annual average 11/80 to 6/90	Last 12 months	Yield	Assets 6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		Fidelity Plymouth–Growth Oppor/Fidelity	—*	12.4%	0.3%	$56	149%	4.00%	*$2.23*
		Fidelity Plymouth–Income & Grow/Fidelity	—*	7.2	9.1	62	48	4.00	*1.88*
		Fidelity Real Estate Investment/Fidelity	—*	0.4	5.5	45	–22	none	1.39
		Fidelity Select–Air Transportation/Fidelity	—*	3.5	none	4	–53	3.00b	2.55p
		Fidelity Select–American Gold/Fidelity	—*	6.0	none	198	8	3.00b	1.85
		Fidelity Select–Biotechnology/Fidelity	—*	56.4	none	157	290	3.00b	2.07
		Fidelity Select–Broadcast & Media/Fidelity	—*	–14.2	none	8	–84	3.00b	2.51
		Fidelity Select–Brokerage & Inv/Fidelity	—*	2.2	1.4	4	3	3.00b	2.50p
		Fidelity Select–Capital Goods/Fidelity	—*	19.5	0.7	2	–5	3.00b	2.59p
		Fidelity Select–Chemicals/Fidelity	—*	9.1	1.0	22	–40	3.00b	2.37
		Fidelity Select–Computers/Fidelity	—*	31.1	none	34	229	3.00b	2.64p
		Fidelity Select–Electric Utilities/Fidelity	—*	8.2	2.0	24	92	3.00b	2.30
		Fidelity Select–Electronics/Fidelity	—*	46.7	none	43	575	3.00b	2.57p
D	•C	**Fidelity Select–Energy/Fidelity**	—*	17.8	1.4	86	5	3.00b	1.94
		Fidelity Select–Energy Service/Fidelity	—*	43.0	none	80	111	3.00b	2.29
		Fidelity Select–Environ Serv/Fidelity	—*	30.4	0.1	128	NM	3.00b	2.25
C	•B	**Fidelity Select–Financial Services/Fidelity**	—*	–6.0	0.3	23	–29	3.00b	2.22
		Fidelity Select–Food & Agriculture/Fidelity	—*	25.2	0.2	32	44	3.00b	2.53p
A+	•D	**Fidelity Select–Health Care/Fidelity**	—*	38.2	0.5	292	70	3.00b	1.74
		Fidelity Select–Industrial Materials/Fidelity	—*	–0.4	2.7	3	–55	3.00b	2.59p
		Fidelity Select–Leisure/Fidelity	—*	–5.5	0.2	51	–30	3.00b	1.96
		Fidelity Select–Medical Delivery/Fidelity	—*	33.9	0.2	45	205	3.00b	2.16
		Fidelity Select–Paper & Forest Prod/Fidelity	—*	–1.4	1.3	5	–34	3.00b	2.57p
D	•C	**Fidelity Select–Prec Metals & Mins/Fidelity**	—*	4.1	1.5	185	–3	3.00b	1.93
		Fidelity Select–Prop & Casualty/Fidelity	—*	15.9	0.9	3	4	3.00b	2.50p
		Fidelity Select–Regional Banks/Fidelity	—*	–10.7	1.0	7	–66	3.00b	2.55p
		Fidelity Select–Retailing/Fidelity	—*	22.2	1.0	11	24	3.00b	2.50p
		Fidelity Select–Savings & Loan/Fidelity	—*	–11.5	0.4	7	–55	3.00b	2.53p
		Fidelity Select–Software & Comp/Fidelity	—*	29.0	none	16	56	3.00b	2.56p
A	•D	**Fidelity Select–Technology/Fidelity**	—*	26.3	none	93	16	3.00b	2.09
		Fidelity Select–Telecom/Fidelity	—*	9.7	0.4	79	–26	3.00b	1.85
D	•A	**Fidelity Select–Utilities/Fidelity**	—*	12.0	1.5	134	38	3.00b	1.67
		Fidelity Special Situations–Initial/Fidelity	—*	6.2	3.8	18	–8	†	1.00
		Fidelity Special Situations–Plymouth/Fidelity	—*	5.8	3.0	195	3	4.00	*1.56*
B	D	**Fidelity Trend Fund/Fidelity**	11.5%	7.6	1.3	837	1	none	0.58
		Fidelity Utilities Income/Fidelity	—*	8.8	6.9	180	33	none	1.02

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Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance			Total return			Assets			
in UP —markets	in DOWN markets—	Fund/distributor	Annual average 11/80 to 6/90	Last 12 months	Yield	6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
B	C	**Fidelity Value Fund/Fidelity**	13.6%	–0.8%	1.1%	$119	–20%	none	$1.11
C	•C	**Fiduciary Capital Growth/Fiduciary Mgmt**	—*	8.1	1.1	25	–40	none	1.40
A	C	**Fiduciary Exchange Fund/‡**	14.5	21.3	1.7	52	–5	NA	0.84
C	D	**Financial Dynamics Fund/Financial Prog**	10.0	19.4	1.6	73	–18	none	0.98
C	D	**Financial Industrial Fund/Financial Prog**	11.0	26.9	2.0	415	22	none	0.82
C	A	**Financial Industrial Income/Financial Prog**	15.9	21.0	4.3	572	43	none	0.75
		Financial Strategic–Energy/Financial Prog	—*	11.0	2.0	12	46	none	1.75
		Financial Strategic–Gold/Financial Prog	—*	4.4	0.4	40	40	none	1.63
		Financial Strategic–Health Sci/Financial Prog	—*	55.4	0.4	88	520	none	1.42
		Financial Strategic–Leisure/Financial Prog	—*	13.5	1.4	9	–36	none	1.38
		Financial Strategic–Technology/Financial Prog	—*	44.7	none	46	419	none	1.59
		Financial Strategic–Utilities/Financial Prog	—*	4.9	3.8	29	40	none	1.35
		First Eagle Fund of America/First Eagle	—*	6.6	0.9	90	18	none§	2.00p
		First Financial Fund/closed-end	—*	–29.7	3.9	63	–34	NA	1.42
		First Investors Blue Chip/First Inv	—*	15.8	3.4	44	223	6.90%	*0.02p*
		Flag Investors Emerging Growth/Brown	—*	7.8	7.7	53	20	4.50	*1.47p*
		Flag Investors Telephone Income/Brown	—*	12.7	5.1	180	37	4.50	*0.92p*
•F	•A	**Flex-funds–Growth Fund[1]/Flex**	—*	1.5	2.7	26	–23	none	*1.47*
		Flex-funds–Muirfield Fund/Flex	—*	10.9	2.0	30	12	none	*1.47*
		Fortress Hi Quality Stock[2]/Federated	—*	4.7	3.1	18	–9	1.75b	*1.00p*
		Fortress Utility Trust[3]/Federated	—*	11.5	6.1	38	164	1.75b	1.07p
A	F	**44 Wall Street Equity Fund/Beckerman**	–1.2	12.4	none	4	2	1.00	4.19
F	F	**44 Wall Street Fund/Beckerman**	–16.1	–10.6	none	5	–29	†	9.27
B	C	**Founders Blue Chip/Founders**	13.8	19.4	2.1	258	25	none	*0.98*
F	A+	**Founders Equity Income Fund/Founders**	12.4	7.2	4.2	15	11	none	*1.52*
		Founders Frontier Fund/Founders	—*	15.1	0.3	71	172	none	*1.46*
B	C	**Founders Growth Fund/Founders**	13.4	11.8	0.7	113	42	none	*1.28*
A	D	**Founders Special Fund/Founders**	10.7	9.4	2.1	71	–14	none	1.06
C	C	**FPA Capital Fund/Angeles Secs**	12.2	13.4	1.6	81	10	6.50	1.17
C	A	**FPA Paramount Fund/Angeles Secs**	17.1	10.9	3.1	220	8	†	0.95
		FPA Perennial Fund/Angeles Secs	—*	14.0	4.0	59	13	6.50	1.12
B	D	**Franklin DynaTech Fund/Franklin**	11.1	27.3	0.7	45	34	4.00	0.82
B	D	**Franklin Equity Fund/Franklin**	12.4	7.6	4.1	404	6	4.00	0.64
B	B	**Franklin Growth Fund/Franklin**	15.3	18.1	1.7	185	60	4.00	0.72
		Franklin Managed—Rising Divs/Franklin	—*	7.0	3.1	41	9	4.00	*1.70*
D	B	**Franklin Option Fund/Franklin**	10.4	4.4	3.7	41	–11	4.00	0.81

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Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP —markets	**Performance** in DOWN markets—	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		Franklin Special Equity Income/Franklin	—*	7.4%	5.7%	$10	134%	4.00%	$0.00p
F	A+	Franklin Utilities Fund/Franklin	16.9%	10.0	7.2	775	25	4.00	0.62
		Freedom Inv–Equity Value/Freedom	—*	5.8	1.7	22	2	3.00b	*2.12*
		Freedom Inv–Gold & Govt/Freedom	—*	6.7	7.2	69	8	3.00b	*1.89*
		Freedom Inv–Regional Bank/Freedom	—*	–0.9	1.6	62	–11	3.00b	*1.94*
		Fund Alabama/closed-end	—*	0.0	4.1	7	–4	NA	1.94
C	B	Fund of America/American Cap	13.0	8.1	2.5	166	–7	5.75	*0.88*
C	D	Fund of the Southwest/Capstone	8.6	12.8	1.2	16	6	4.75	1.46
A	B	Fundamental Investors/American Funds	16.9	15.5	3.7	835	19	5.75	*0.67*
		FundTrust–Aggressive Growth/Signature	—*	11.3	0.5	21	–1	1.50	*1.98p*
		FundTrust–Growth/Signature	—*	5.3	1.3	22	–33	1.50	*1.95p*
		FundTrust–Managed Total Ret/Signature	—*	6.1	6.2	19	23	1.50	*1.98p*
		Gabelli Asset Fund/Gabelli	—*	0.2	3.3	381	43	none§	*1.26*
		Gabelli Equity Trust/closed-end	—*	–3.8	2.8	526	–13	NA	1.18
		Gabelli Growth Fund/Gabelli	—*	17.5	1.0	199	365	none	*1.85*
		Gateway Growth Plus Fund/Gateway	—*	19.3	2.4	12	73	none	1.50p
D	A	Gateway Index Plus[1]/Gateway	10.4	18.2	2.4	49	77	none	1.25
		General Aggressive Growth/Dreyfus	—*	17.9	1.3	49	26	none	*1.18*
A	D	General American Investors/closed-end	14.4	37.2	0.8	444	30	NA	1.04
D	B	General Securities/Craig-Hallum	12.6	12.6	3.9	20	6	5.00	1.39
		Gintel Capital Appreciation Fund/Gintel	—*	12.8	7.0	34	7	none	*1.80*
D	•A	Gintel Erisa Fund/Gintel	—*	12.2	7.7	89	3	none	*1.30*
C	•B	Gintel Fund/Gintel	—*	16.6	7.6	94	4	none	1.40
•B	•F	GIT Equity Trust–Special Growth/GIT	—*	8.0	2.1	43	120	none	1.47
		Gradison Established Growth/Gradison	—*	3.4	3.6	139	31	none	*1.40*
		Gradison Opportunity Growth/Gradison	—*	7.2	2.5	26	28	none	*1.52*
		Greenspring Fund/Greenspring	—*	5.1	5.7	24	–4	none	1.27
B	B	Growth Fund of America/American Funds	15.0	12.3	2.9	2,181	49	5.75	*0.78*
		Growth Fund of Washington/Washington	—*	–4.7	2.3	52	–11	5.00	*1.66*
C	C	Growth Industry Shares/Growth Industry	12.2	21.2	1.1	71	11	none	0.88
		Growth Stock Outlook Trust/closed-end	—*	9.6	5.5	128	2	NA	1.43
		GT Global Growth-America/GT Global	—*	37.1	0.7	68	NM	4.75	*1.90p*
A	B	Guardian Park Ave Fund/Guardian	17.0	6.1	4.6	253	24	4.50	0.68
		Hampton Utils–Capital Shares/closed-end	—*	6.8	3.9	12	6	NA	1.45
B	D	John Hancock Growth Trust/Hancock	10.5	15.4	1.8	126	11	4.50	*1.43*
		John Hancock Special Equities/Hancock	—*	15.3	0.3	12	–6	4.50	*2.53p*

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Distributor table, page 248. Rules, page 176.

Performance in UP	in DOWN	Fund/distributor	Total return: Annual average 11/80 to 6/90	Last 12 months	Yield	Assets: 6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
——markets——									
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		H&Q Healthcare Investors/closed-end	—*	44.5%	none	$71	41%	NA	$1.74
		Harbor Capital Appreciation[1]/HCA Securities	—*	19.8	1.5%	70	24	none	0.90
		Harbor Growth Fund/HCA Securities	—*	11.4	0.8	164	20	none	1.01
		Harbor Value/HCA Securities	—*	11.1	4.2	29	48	none	0.97p
A+	F	**Hartwell Emerging Growth/Hartwell**	10.4%	34.2	none	29	23	4.75%	*2.50*
A+	D	**Hartwell Growth Fund/Hartwell**	11.9	8.9	none	18	3	4.75	*3.00*
		Heartland Group–Value Fund/Dain Bosworth	—*	2.8	0.9	27	–18	4.50	*1.70*
		Heritage Capital Appreciation/Heritage	—*	–3.6	1.6	66	17	4.00	*2.00p*
		HT Insight–Convertible Fund/TBC	—*	–6.3	8.9	14	–32	4.50	*0.78p*
		HT Insight–Equity Fund/TBC	—*	11.7	4.1	21	42	4.50	*1.00p*
		Wayne Hummer Growth Fund/Hummer	—*	18.4	1.8	27	20	none	1.50p
		IAI Apollo/IAI Funds	—*	13.1	1.2	24	–17	none	1.00p
A	B	**IAI Regional Fund/IAI Funds**	16.8	23.4	2.2	191	82	none	1.00
C	B	**IAI Stock Fund/IAI Funds**	14.9	18.0	2.7	80	12	none	1.00p
		IDEX Fund/Idex	—*	25.7	0.6	93	17	8.50	1.34
		IDEX II/Idex	—*	27.6	0.5	92	19	†	1.32
		IDEX Fund 3/Idex	—*	26.4	0.5	163	115	†	1.25
B	•D	**IDS Discovery Fund/IDS**	—*	30.5	1.5	172	10	5.00	0.66
B	C	**IDS Equity Plus/IDS**	13.3	20.3	3.2	403	8	5.00	0.57
A+	D	**IDS Growth Fund/IDS**	14.4	31.1	1.1	788	17	5.00	0.64
		IDS Managed Retirement Fund/IDS	—*	26.6	2.6	796	17	5.00	0.92
A	B	**IDS New Dimensions Fund/IDS**	16.8	27.6	1.7	916	32	5.00	0.82
D	B	**IDS Progressive Fund/IDS**	12.5	–0.7	5.7	157	–15	5.00	0.75
C	B	**IDS Stock Fund/IDS**	13.1	18.0	5.3	1,372	6	5.00	0.60
		IDS Strategy–Aggressive Equity/IDS	—*	24.2	none	318	18	5.00b	*1.49*
		IDS Strategy–Equity/IDS	—*	8.4	4.7	335	27	5.00b	*1.61*
		IDS Utilities Income/IDS	—*	10.1	6.6	197	174	5.00	0.92
B	A	**Investment Co of America/American Funds**	16.7	15.0	3.8	5,874	22	5.75	*0.52*
		Investment Port–Equity/Kemper	—*	21.4	0.9	339	27	5.00b	*2.19*
		Investment Series–Hi Quality Stock[2]/Federated	—*	5.9	3.6	6	80	5.75	1.19p
C	D	**Inv Tr of Boston Grow Opp/Inv Trust**	8.8	14.3	3.0	62	0	4.25	*1.15*
B	D	**Investors Research Fund/Diversified**	11.5	14.4	1.6	67	–2	8.50	0.84
C	A	**Ivy Growth Fund/Ivy**	16.5	14.2	2.7	203	10	none	1.33
		Ivy Growth with Income Fund/Ivy	—*	13.0	12.3	15	–51	none	1.36
B	A	**Janus Fund/Janus**	17.4	23.5	1.2	1,246	152	none	1.00
		Janus Twenty Fund/Janus	—*	35.0	0.1	206	768	none	1.32p

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly Harbor US Equities. [2]Formerly Aetna High Quality Stock.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP markets	in DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets 6/30/90 ($mil)	Assets % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average **Forbes stock fund composite**	14.9% 12.1%	16.4% 12.3%	3.2% 2.7%				$1.44
		Janus Venture Fund/Janus	—*	21.6%	1.1%	$232	375%	none	$1.23
D	B	**JP Growth Fund/Jefferson-Pilot**	13.9%	22.4	2.5	28	13	6.75%	0.90
		Kaufmann Fund/Kaufmann	—*	29.6	none	53	68	none§	*2.36p*
		Kemper Blue Chip Fund/Kemper	—*	22.7	1.2	34	52	4.50	*1.91*
		Kemper Gold Fund/Kemper	—*	−2.9	0.5	8	105	4.50	*2.35p*
A	D	**Kemper Growth Fund/Kemper**	12.7	23.9	1.7	373	25	5.75	0.81
A	D	**Kemper Summit Fund/Kemper**	11.8	14.8	2.4	270	9	5.75	0.81
B	D	**Kemper Technology Fund/Kemper**	10.3	27.7	2.5	591	16	5.75	0.67
		Keystone America Equity Income/Keystone	—*	11.6	3.7	24	12	4.00b	*2.00p*
		Keystone America Fund of Grow Stk/Keystone	—*	18.7	0.2	7	25	4.00b	*2.00p*
A	D	**Keystone America Omega/Keystone**	10.0	25.1	1.1	43	19	4.00b	*1.84*
B	D	**Keystone Custodian K-2/Keystone**	11.1	14.0	2.3	323	−3	4.00b	*1.67*
C	C	**Keystone Custodian S-1/Keystone**	10.6	15.3	2.9	186	5	4.00b	*2.25*
B	D	**Keystone Custodian S-3/Keystone**	11.2	8.4	2.8	264	6	4.00b	*1.66*
A	F	**Keystone Custodian S-4/Keystone**	6.3	18.5	0.8	567	19	4.00b	*1.27*
		Kidder, Peabody Equity Income/Kidder	—*	17.0	2.5	66	20	4.00	*1.81*
		Kidder, Peabody Special Growth/Kidder	—*	15.2	none	17	6	4.00	*2.33*
		Kidder, Peabody MarketGuard I/Kidder	—*	5.7	2.8	23	−2	4.00[1]	1.52
		Landmark Capital Growth Fund/Landmark	—*	7.1	0.1	8	−10	none	*3.79*
		Landmark Growth & Income/Landmark	—*	1.8	4.0	9	−16	none	*3.41*
		Laurel Funds–Stock/Frank Russell	—*	21.4	2.0	10	336	none	*0.68p*
		Legg Mason Special Investment/Legg Mason	—*	10.9	0.5	79	44	none	*2.24p*
		Legg Mason Total Return Trust/Legg Mason	—*	−0.9	1.7	25	−15	none	*2.41*
•B	•B	**Legg Mason Value Trust/Legg Mason**	—*	4.7	2.4	827	8	none	*1.87p*
D	C	**Lepercq-Istel Fund/Lepercq**	5.7	5.1	4.6	21	−3	none	*1.48*
B	B	**Lexington Corp Leaders Trust/Lexington**	15.3	14.1	4.0	92	9	4.00	0.72
D	•B	**Lexington Goldfund/Lexington**	—*	1.7	1.0	121	32	none	1.42
B	D	**Lexington Growth Fund/Lexington**	7.9	12.1	1.9	28	0	none	1.36
C	C	**Lexington Research Fund/Lexington**	12.2	9.0	3.8	121	−1	none	1.02
		Lexington Technical Strategy/Lexington	—*	11.4	1.9	10	61	5.00	1.34p
		Liberty All-Star Equity Fund/closed-end	—*	18.3	9.9	522	7	NA	1.25
		Liberty Utility Fund[2]/Federated	—*	9.3	7.8	65	39	4.50	1.02p
		Lindner Dividend Fund/Lindner	—*	1.6	10.1	153	27	none§	0.87
D	A+	**Lindner Fund/Lindner**	18.8	7.9	4.7	716	34	none§	0.62
		LMH Fund/Heine Mgmt	—*	−4.1	4.0	27	−29	none	1.81
C	D	**Lord Abbett Developing Growth/Lord Abbett**	7.5	22.7	none	140	0	6.75	*1.13*

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. §Distributor may impose redemption fee whose proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1] Fund shares offered only in June and December. [2] Formerly Progressive Income Equity Fund.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets 6/30/90 ($mil)	Assets % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.7%				
		Forbes stock fund composite	12.1%	12.1%	2.7%				$1.44
		Lord Abbett Fundamental Value/Lord Abbett	—*	15.4%	1.7%	$21	10%	7.25%	*$1.81*
●B	●C	**Lord Abbett Value Appreciation/Lord Abbett**	—*	8.7	2.9	176	-12	6.75	*0.94*
D	A	**Lutheran Brotherhood Fund/Lutheran**	15.1%	15.6	1.9	313	12	5.00	1.04
		Mackenzie American Fund/Mackenzie	—*	5.0	1.6	54	23	8.50	2.39p
		Main Street–Income & Growth/Oppenheimer	—*	9.0	1.5	14	969	4.75	*2.21*
—		**MainStay–Capital Apprec[1]/NYLife**	—*	17.4	0.2	41	27	5.00b	*2.54*
		MainStay–Gold & Precious[2]/NYLife	—*	2.2	none	7	12	5.00b	*1.47*
		MainStay–Value Fund[3]/NYLife	—*	6.4	1.6	11	46	5.00b	*2.63*
B	C	**Mairs & Power Growth Fund/Mairs & Power**	11.1	21.4	1.5	24	12	none	1.07
D	A+	**Mairs & Power Income Fund/Mairs & Power**	11.9	8.8	4.7	8	12	none	1.22
B	C	**Horace Mann Growth Fund/Mann**	12.4	15.6	3.1	105	13	[illegible]	0.64
B	C	**Mass Capital Development Fund/Mass Finl**	12.1	10.3	3.4	779	2	7.25	0.77
B	D	**Mass Financial Development/Mass Finl**	11.8	12.7	3.4	240	2	7.25	0.83
A	●D	**Mass Financial Emerging Growth/Mass Finl**	—*	14.5	none	210	-3	7.25	1.43
●B	●D	**Mass Financial Special Fund/Mass Finl**	—*	6.4	4.0	125	2	4.75	*1.11*
B	C	**Mass Investors Growth Stock/Mass Finl**	12.1	18.3	0.7	925	7	7.25	0.54
B	C	**Mass Investors Trust/Mass Finl**	13.7	22.6	3.3	1,416	11	7.25	0.50
		MassMutual Integrity–Cap App/MML	—*	6.0	2.2	18	40	4.50	*1.30p*
		MassMutual Integrity–Value Stock/MML	—*	12.1	3.2	41	24	4.50	*1.23p*
C	C	**Mathers Fund/Mathers**	11.6	10.5	6.3	244	11	none	1.01
F	A	**Meeschaert Capital Accum/Meeschaert**	8.9	14.4	9.4	22	42	4.00b	*0.84*
		Meeschaert Gold and Currency/closed end	—*	0.7	none	15	1	none	1.17
—		**The Merger Fund/Westchester**	—*	2.7	0.4	11	8	none	*2.80*
		Meridian Fund/Meridian	—*	19.5	2.7	11	16	none	2.07p
C	B	**Merrill Lynch Basic Value#/ML Funds**	15.6	1.9	4.5	2,478	35	6.50	0.56
C	A	**Merrill Lynch Capital Fund#/ML Funds**	16.3	11.9	5.8	1,390	64	6.50	0.60
		Merrill Lynch Fund Tomorrow#/ML Funds	—*	0.9	2.5	527	-10	6.50	0.89
		Merrill Lynch Natural Res#/ML Funds	—*	18.5	2.5	409	-14	6.50	0.86
		Merrill Lynch Retire Equity#/ML Funds	—*	17.6	1.6	573	19	6.50	0.91
D	D	**Merrill Lynch Special Value#/ML Funds**	4.1	-6.3	2.0	57	-33	6.50	1.45p
		Merrill Lynch Strategic Div#/ML Funds	—*	9.0	5.1	385	41	6.50	1.04
		Merriman Timed Blue Chip/Merriman	—*	6.7	3.9	14	120	none	1.81p
		Merriman Timed Cap Apprec/Merriman	—*	4.5	4.6	18	517	none	1.53p
		MetLife State Street Cap Apprec/MetLife	—*	17.3	0.3	59	74	4.50	*1.50p*
		MetLife State Street Equity Inc/MetLife	—*	11.3	5.3	50	24	4.50	*1.50p*
		MetLife State Street Equity Inv/MetLife	—*	16.5	2.4	36	48	4.50	*1.50p*

●Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. [illegible] #Fund has two share classes, one with [illegible] Results shown are for front-loaded shares. Assets are for entire fund. [illegible] *Expense ratio is in italics if the fund* [illegible] b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. [1]Formerly Marlen Shields MainStay Capital Appreciation. [2]Formerly Marlen Shields MainStay Gold & Precious Metals Fund. [3]Formerly Marlen Shields MainStay Value Fund.

Distributor table, page 249. Rules, page 176.

Performance in UP markets	in DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		MFS Lifetime Capital Growth/Mass Finl	—*	15.1%	1.6%	$237	37%	6.00%b	*$2.46*
		MFS Lifetime Emerging Growth/Mass Finl	—*	30.0	none	100	38	6.00b	*2.81*
		MFS Lifetime Managed Sectors/Mass Finl	—*	12.3	none	194	21	6.00b	*2.52*
		MFS Lifetime Total Return[1]/Mass Finl	—*	5.1	5.0	215	25	6.00b	*2.43*
		MFS Managed Sectors Trust/Mass Finl	—*	12.9	0.6	125	0	4.75	*1.50*
D	B	**MidAmerica High Growth Fund/MidAmerica**	10.7%	3.0	4.7	12	–4	5.75	1.00
D	A	**MidAmerica Mutual Fund/MidAmerica**	12.9	8.9	4.1	37	5	5.75	1.00
		Midwest Strategic–Growth/MGF	—*	11.3	1.5	9	–11	4.75	*1.98*
		MIM Stock Conv & Option Grow/Mathematical	—*	0.2	3.1	7	10	none	*2.75*
		MIM Stock Conv & Option Inc/Mathematical	—*	4.4	4.1	12	–6	none	*2.57*
		Mimlic Investors Fund I/Mimlic	—*	16.2	2.2	13	26	5.00	1.23p
		Monitrend Value Fund/Pallas	—*	–1.2	2.1	6	–54	3.50	*2.50p*
		Morgan Grenfell SmallCap Fund/closed-end	—*	21.2	none	60	20	NA	2.13
		Morgan Keegan Southern Cap/Morgan Keegan	—*	3.7	4.1	9	–4	3.00	*2.00p*
A	B	**Mutual Benefit Fund/Mutual Benefit**	17.0	7.3	2.3	38	24	4.75	1.45
A	C	**Mutual of Omaha Growth/Mutual of Omaha**	13.7	35.2	0.8	61	43	4.75	*1.11*
D	B	**Mutual Series–Beacon/Heine Secs**	11.5	4.1	4.4	457	37	none	0.70
D	A+	**Mutual Series–Mutual Shares/Heine Secs**	16.6	1.2	6.8	3,110	–9	†	0.65p
D	A+	**Mutual Series–Qualified/Heine Secs**	18.5	0.7	6.1	1,340	–10	†	0.70p
C	F	**National Aggressive Grow[2]/National Secs**	5.7	2.2	1.3	70	108	7.25	1.33p
B	D	**National Aviation & Technology/AFA**	11.0	12.5	1.4	84	–3	4.75	1.28
D	C	**National Industries Fund/Stonebridge**	6.4	20.4	1.5	33	10	none	1.69
		National Real Estate–Stock/National Secs	—*	–9.3	7.3	19	–23	5.75	*1.64*
D	B	**National Stock Fund/National Secs**	12.0	10.2	3.3	226	–3	5.75	*1.09*
•D	•D	**National Telecom & Technology/AFA**	—*	11.2	0.3	39	–8	4.75	1.90
B	B	**Nationwide Fund/Nationwide**	15.6	17.4	3.0	507	17	7.50	0.63
C	B	**Nationwide Growth Fund/Nationwide**	15.7	2.3	3.2	245	–4	7.50	0.68
D	•D	**Nautilus Fund/Eaton Vance**	—*	27.1	none	14	6	4.75	2.50
		Neuberger & Berman Genesis/Neuberger	—*	0.8	0.3	22	36	none§	2.00p
B	C	**Neuberger & Berman Guardian/Neuberger**	14.0	8.4	3.3	562	1	none	0.84
A	C	**Neuberger & Berman Manhattan/Neuberger**	15.2	11.2	1.7	429	12	none	1.10
D	A	**Neuberger & Berman Partners/Neuberger**	15.1	8.0	4.2	794	7	none	0.97
D	C	**Neuberger & Berman Sectors + Energy/Neuberger**	8.9	12.2	2.5	416	1	none	0.99
A	D	**Neuwirth Fund/National Finl**	8.4	–3.1	0.5	25	–13	none	1.84
•D	•C	**New Alternatives Fund/Accrued Eq**	—*	9.0	1.7	16	86	5.66	1.25
		New Economy Fund/American Funds	—*	9.7	2.6	921	14	5.75	*0.83*

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Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance			Total return			Assets			
in UP —markets	in DOWN —	Fund/distributor	Annual average 11/80 to 6/90	Last 12 months	Yield	6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
D	A	New England Balanced/New England	11.9%	–0.1%	6.2%	$59	3%	6.50%	*$1.52*
A	B	New England Growth Fund/New England	18.5	23.4	1.4	640	27	6.50	*1.22*
C	A	New England Retirement Equity/New England	14.4	12.1	2.1	145	5	6.50	*1.29*
B	B	New Perspective Fund/American Funds	16.3	22.8	2.5	1,566	42	5.75	*0.76*
A	C	New York Venture Fund/Venture	16.5	15.8	3.9	350	17	4.75	*0.93*
B	D	Newton Growth Fund/Newton	10.7	9.5	3.7	35	4	none	1.27
C	D	Niagara Share Corp/closed-end	8.5	16.1	2.1	237	10	NA	1.08
		Nicholas Applegate Growth Eq/closed-end	—*	22.0	none	142	50	NA	1.14
C	A	Nicholas Fund/Nicholas	16.7	11.8	2.1	1,520	20	none	0.82
		Nicholas II/Nicholas	—*	8.2	1.5	427	8	none	0.72
		Nicholas Limited Edition/Nicholas	—*	14.2	1.1	72	59	none	1.12
		NA Security Trust–Growth[1]/Wood Logan	—*	2.4	4.5	26	–22	4.75	*2.79*
B	C	Northeast Investors Growth/Northeast Inv	12.2	20.4	0.9	27	23	none	1.77
		Oberweis Emerging Growth/Oberweis	—*	29.0	none	15	–2	4.00	*2.00p*
D	B	Old Dominion Investors' Trust/Investors Sec	11.2	2.5	6.8	7	8	5.75	*1.54*
		Olympic Trust–Equity Income/Olympic	—*	–0.5	4.8	65	38	none	1.00p
		Olympic Trust–Small Cap Fund/Olympic	—*	20.2	0.9	8	–1	none	1.00p
		Olympus Equity Plus Fund/Furman Selz	—*	14.8	0.7	8	–11	4.25	*2.94p*
		Olympus Premium Income/Furman Selz	—*	6.6	2.0	32	–34	4.25	*2.17*
		Oppenheimer Blue Chip Fund/Oppenheimer	—*	9.8	2.7	19	11	[illegible]	*1.51*
A	D	Oppenheimer Directors Fund/Oppenheimer	8.0	3.0	2.8	127	–13	8.50	1.33
		Oppenheimer Discovery[2]/Oppenheimer	—*	6.1	1.4	62	37	4.75	*1.49*
B	B	Oppenheimer Equity Income/Oppenheimer	16.2	9.0	5.4	1,329	30	8.50	0.79
C	D	Oppenheimer Fund/Oppenheimer	5.3	5.9	2.7	196	–6	8.50	1.04
•D	•F	Oppenheimer Gold & Spec Mins/Oppenheimer	—*	3.3	2.3	163	36	8.50	1.37
F	A+	Oppenheimer Premium Inc/Oppenheimer	12.9	4.6	4.1	243	–16	8.50	0.93
•C	•D	Oppenheimer Regency Fund/Oppenheimer	—*	11.7	2.6	126	–1	8.50	1.32
D	C	Oppenheimer Special Fund/Oppenheimer	9.3	12.9	3.4	551	2	8.50	0.92
A	•D	Oppenheimer Target Fund/Oppenheimer	—*	13.0	3.0	63	–11	4.75	1.32
A	D	Oppenheimer Time Fund/Oppenheimer	14.0	6.7	3.1	335	4	8.50	0.94
B	C	Oppenheimer Total Return/Oppenheimer	11.6	12.4	4.1	424	21	4.75	*0.97*
C	B	Over-the-Counter Securities Fund/Review	12.0	1.2	0.8	291	–11	4.50	*1.45*
		Pacific Horizon–Aggres Grow/Concord Finl	—*	27.9	none	99	9	4.50	*1.51p*
		PaineWebber Classic Grow & Inc/PaineWebber	—*	12.2	3.3	65	9	4.50	*1.40*
		PaineWebber Classic Growth/PaineWebber	—*	16.6	none	84	27	4.50	*2.01*
		PaineWebber Classic Region Finl[3]/closed-end	—*	–0.1	3.3	50	–48	NA	*1.33*

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Distributor table, page 248. Rules, page 176.

Performance in UP	in DOWN		Total return			Assets			
——markets——		Fund/distributor	Annual average 11/80 to 6/90	Last 12 months	Yield	6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		PaineWebber Master Energy-Util/PaineWebber	—*	18.0%	0.9%	$45	130%	5.00%b	*$2.64*
		PaineWebber Master Growth/PaineWebber	—*	9.7	none	108	37	5.00b	*1.87*
		Paribas Trust–Quantus Equity/Paribas	—*	24.5	3.8	5	–32	4.00b	*2.36*
		Parkstone Equity/Winsbury	—*	19.1	2.3	248	38	4.50	1.11
		Parkstone High-Inc Equity/Winsbury	—*	14.3	4.4	96	45	4.50	1.15
		Parkstone Small Cap/Winsbury	—*	28.3	0.3	95	75	4.50	1.09
		Parnassus Fund/Parnassus	—*	-3.6	0.8	26	37	3.50	1.75
		Pasadena Growth Fund/Pasadena Growth	—*	21.5	4.7	52	90	5.50	2.30p
		Patriot Premium Dividend Fund/closed-end	—*	6.4	13.5	194	–4	NA	1.35
		PBHG Growth Fund/Capstone	—*	28.6	none	17	–18	4.75	1.32
C	B	Penn Square Mutual Fund/Penn Square	13.8%	13.0	3.7	212	4	4.75	*0.91*
B	B	Pennsylvania Mutual Fund/Penn Mutual	15.0	5.4	3.1	685	29	none§	0.94
		Perritt Capital Growth/Perritt	—*	0.8	1.6	5	0	none	2.50
D	D	Petroleum & Resources Corp/closed-end	6.2	18.5	3.9	319	3	NA	0.60
D	C	Philadelphia Fund/Baxter	9.4	-0.6	3.0	101	–9	none	*0.95*
B	•A	Phoenix Growth Fund/Phoenix	—*	21.0	3.1	756	19	6.90	1.04
B	•B	Phoenix Stock Fund/Phoenix	—*	11.8	2.0	125	–4	6.90	1.10
D	•A	Phoenix Total Return/Phoenix	—*	12.6	3.9	31	–12	4.75	*1.50p*
		Pierpont Capital Appreciation/TBC	—*	17.0	2.2	49	22	none	1.00p
		Pierpont Equity Fund/TBC	—*	21.0	6.0	40	49	none	1.00p
C	C	Pilgrim MagnaCap Fund[1]/Pilgrim	11.3	13.7	1.6	224	9	4.75	*1.60*
		Pilgrim Regional Bankshares/closed-end	—*	-4.7	7.9	93	–13	NA	1.26
C	C	Pine Street Fund/National Finl	11.1	10.1	4.5	51	–3	none	1.21p
C	C	Pioneer Fund/Pioneer	11.1	6.6	3.1	1,570	1	8.50	0.75
B	C	Pioneer II/Pioneer	14.4	7.2	3.5	4,407	6	8.50	0.77
•C	•B	Pioneer Three/Pioneer	—*	4.7	2.9	707	–1	8.50	0.72
		Piper Jaffray Sector Performance/Piper	—*	32.2	2.9	11	–18	4.00	*1.30p*
		Piper Jaffray Value Fund/Piper	—*	26.0	1.3	52	104	4.00	*1.30p*
		T Rowe Price Capital Appreciation/Price	—*	8.3	4.1	163	33	none	1.25
		T Rowe Price Equity Income Fund/Price	—*	0.8	5.6	1,002	35	none	1.10
•C	•B	T Rowe Price Growth & Income/Price	—*	2.8	5.1	558	6	none	0.94
C	D	T Rowe Price Growth Stock Fund/Price	10.7	19.3	2.0	1,631	19	none	0.72
		T Rowe Price New America Growth/Price	—*	13.5	none	141	19	none	1.25
C	D	T Rowe Price New Era Fund/Price	9.3	9.6	2.6	783	2	none	0.82
B	D	T Rowe Price New Horizons Fund/Price	8.5	16.5	0.5	1,051	11	none	0.81
		T Rowe Price Science & Technology/Price	—*	39.4	0.5	86	411	none	1.25

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. §Distributor may impose redemption fee whose proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Reflects performance of Pilgrim Fund prior to June 1985 merger.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		T Rowe Price Small-Cap Value Fund/Price	—*	9.8%	1.4%	$32	2%	none	$1.25p
		Primary Trend Fund/Primary Trend	—*	–1.4	2.7	39	–31	none	1.12
		Principal Preserv–Div Achievers/Ziegler	—*	9.6	2.1	12	3	4.50%	1.20p
		Principal Preserv–S&P 100 Plus/Ziegler	—*	17.1	2.2	22	14	4.50	1.30p
		Princor Aggressive Growth Fund/Princor	—*	9.7	1.4	11	42	5.00	*1.78*
D	A	**Princor Capital Accumulation/Princor**	14.8%	2.4	3.3	138	18	5.00	*1.11*
B	D	**Princor Growth Fund/Princor**	11.0	20.8	1.5	36	13	5.00	*1.11*
C	B	**ProvidentMutual Grow[1]/Provident**	13.9	5.1	4.5	154	69	6.00	*1.25*
C	B	**ProvidentMutual Invest Shrs[2]/Provident**	14.7	12.2	5.8	227	124	6.00	*0.97*
B	D	**ProvidentMutual Value Shrs/Provident**	8.2	13.3	2.2	13	23	6.00	*2.18p*
B	•B	**Pru-Bache Equity Fund#/Pru-Bache**	—*	15.3	1.6	657	21	5.25	*1.02*
		Pru-Bache Equity Income#/Pru-Bache	—*	4.8	3.2	146	82	5.25	*2.16*
		Pru-Bache FlexiFund–Aggress#/Pru-Bache	—*	8.9	4.1	176	198	5.25	*1.64*
		Pru-Bache FlexiFund–Conserv#/Pru-Bache	—*	9.9	5.4	156	19	5.25	*1.29*
B	•D	**Pru-Bache Growth Opp#/Pru-Bache**	—*	7.6	1.3	134	–6	5.25	*1.37*
•C	•B	**Pru-Bache Option Grow#/Pru-Bache**	—*	8.6	3.0	61	–9	5.25	*1.90*
•B	•C	**Pru-Bache Research Fund#/Pru-Bache**	—*	8.7	2.4	325	–8	5.25	*1.49*
D	•A	**Pru-Bache Utility Fund#/Pru-Bache**	—*	9.3	4.8	2,493	17	5.25	*0.93*
		Prudent Speculator Leveraged/Prudent	—*	–7.8	none	8	–17	none	*4.26p*
D	F	**Putnam Energy-Resources Trust/Putnam**	1.6	16.9	3.1	127	13	5.75	*1.40*
C	B	**Putnam Fund for Growth & Inc/Putnam**	14.1	12.6	5.1	2,138	20	5.75	*0.72*
A	•D	**Putnam Health Sciences Trust/Putnam**	—*	38.6	1.2	348	43	5.75	*1.14*
		Putnam Information Sciences/Putnam	—*	16.3	0.5	103	2	5.75	*1.48*
B	C	**Putnam Investors Fund/Putnam**	12.0	20.9	3.2	719	12	5.75	*0.68*
D	B	**Putnam Option Income Trust/Putnam**	10.1	1.0	3.5	782	–22	6.75	*0.84*
		Putnam Option Income Trust II/Putnam	—*	5.1	4.7	930	–24	6.75	*0.82*
•A	•C	**Putnam OTC Emerging Growth/Putnam**	—*	18.7	none	206	23	5.75	*1.63*
A	B	**Putnam Vista Basic Value/Putnam**	15.7	10.5	2.8	263	2	5.75	*0.93*
A	D	**Putnam Voyager Fund/Putnam**	15.2	13.4	1.2	804	24	5.75	*1.00*
		Quest for Value Dual–Capital[3] **Quest for Value Dual–Income**	—*	16.6	5.3	538	9	none	0.83
C	A+	**Quest for Value Fund/Quest**	19.1	11.4	2.7	69	–10	5.50	*1.86*
		RCS Emerging Growth/Robertson	—*	46.7	none	19	129	none	*2.15*
		Real Estate Securities Income/closed-end	—*	–16.5	14.4	18	–26	NA	1.29
		Reich & Tang Equity Fund/Reich & Tang	—*	2.3	2.6	109	–2	none	1.10
		Reynolds Blue Chip Growth Fund/Fiduciary Mgmt	—*	25.3	1.2	10	171	none	2.50p

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. #Fund has two share classes, one with large 12b-1 fee and back-end load and the other with small 12b-1 fee and front-end load. Results shown are for front-loaded shares. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly Sigma Capital Shares. [2]Formerly Sigma Investment Shares. [3]Dual Fund. Performance, asset and expense data on capital and income shares treated as a unit.

Distributor table, page 248. Rules, page 176.

Performance in UP markets	in DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average Forbes stock fund composite	14.9% 12.1%	16.4% 12.3%	3.2% 2.7%				 $1.44
		Rightime Fund/Lincoln Inv	—*	11.0%	1.0%	$149	−13%	none	*$2.55*
		Rightime Fund Blue Chip/Lincoln Inv	—*	14.9	1.7	123	47	4.75%	*$2.31*
		Rightime Fund Growth/Lincoln Inv	—*	2.0	0.8	46	46	4.75	*2.32*
F	•A	**Rochester Tax Managed Fund/Rochester**	—*	2.0	none	14	−7	8.50	*1.78*
		Rodney Square Multi–Grow/Rodney	—*	13.7	1.1	43	22	5.75	*1.75p*
		Rodney Square Multi–Value/Rodney	—*	6.2	2.9	8	−13	5.75	*1.75p*
•C	•B	**Royce Fund–Value/Quest Dist**	—*	3.8	2.1	191	−1	1.00b	*1.82*
		Royce Value Trust/closed-end	—*	5.1	1.6	140	8	NA	0.93
		RPF of America–Equity Fund/Venture	—*	18.4	3.4	30	51	5.00b	*2.58*
		Rushmore–OTC Index Plus/Rushmore	—*	2.9	0.3	11	−3	none	1.00
		Rushmore–Stock Mkt Index Plus/Rushmore	—*	16.0	2.0	52	245	none	0.95
B	C	**Safeco Equity Fund/Safeco**	12.8%	17.8	2.0	64	30	none	0.95
B	C	**Safeco Growth Fund/Safeco**	11.8	18.3	1.1	88	18	none	0.95
D	A	**Safeco Income Fund/Safeco**	14.6	2.9	5.5	207	−8	none	0.89
		St Clair Equity–Capital Growth/Fairfield	—*	21.2	0.8	20	302	none	1.62p
		Salem Funds–Growth/Federated	—*	12.1	4.2	105	21	none	*1.55*
A	B	**Salomon Brothers Capital[1]/Salomon**	15.3	12.8	0.3	74	4	5.00	1.48
C	B	**Salomon Brothers Fund[2]/closed-end**	12.9	11.5	3.9	1,021	5	NA	0.44
C	B	**Salomon Brothers Investors[3]/Salomon**	13.4	10.0	4.0	378	−3	5.00	0.63
C	B	**Salomon Brothers Opportunity[4]/Salomon**	15.4	−3.3	3.4	108	−2	none	1.26
		SBSF–Growth Fund/SBSF	—*	16.0	3.1	100	13	none	1.13
		Schafer Value Fund/Schafer	—*	13.6	1.8	11	−10	none	2.09
•C	•B	**Sci/Tech Holdings/ML Funds**	—*	24.4	0.7	156	−3	6.50	1.55p
A	C	**Scudder Cap Growth/Scudder**	14.7	0.3	0.8	996	20	none	0.93
C	D	**Scudder Development Fund/Scudder**	10.3	28.2	none	361	31	none	1.34
		Scudder Equity Income/Scudder	—*	4.9	5.7	21	21	none	1.51p
		Scudder Fund–Lazard Equity/Scudder	—*	8.1	1.7	18	15	none	*1.78*
		Scudder Gold Fund/Scudder	—*	−2.7	0.6	17	53	none	2.55p
C	C	**Scudder Growth & Income Fund/Scudder**	11.2	6.8	5.2	503	9	none	0.87
C	C	**Second Fiduciary Exchange Fund/‡**	11.5	16.4	1.9	68	6	NA	0.82
•C	•C	**Security Action Fund/Security**	—*	13.5	1.0	251	27	**	0.82
A	D	**Security Equity Fund/Security**	11.6	13.1	2.9	270	5	8.50	1.08
D	C	**Security Investment Fund/Security**	7.5	3.4	6.4	77	−8	8.50	1.26
		Security Omni Fund/Security	—*	4.6	none	18	−6	8.50	4.18
C	F	**Security Ultra Fund/Security**	6.3	14.4	none	58	−13	8.50	2.98
D	A	**Selected American Shares/Prescott**	15.4	2.3	3.5	412	18	none	*1.08*

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. ‡Exchange fund, not currently selling new shares. **Available only through monthly contractual plan. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly Lehman Capital Fund. [2]Formerly Lehman Corp. [3]Formerly Lehman Investors Fund. [4]Formerly Lehman Opportunity Fund.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP —markets—	in DOWN	Fund/distributor	Total return			Assets			
			Annual average 11/80 to 6/90	Last 12 months	Yield	6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
B	D	**Selected Special Shares/Prescott**	11.2%	14.5%	1.8%	$60	39%	none	*$1.22*
A+	D	**Seligman Capital Fund/Seligman**	13.4	27.1	none	133	10	4.75%	0.88
B	B	**Seligman Common Stock Fund/Seligman**	14.5	18.9	3.3	497	–1	4.75	0.6.
		Seligman Commun & Inform/Seligman	—*	24.5	none	46	12	4.75	1.48
B	D	**Seligman Growth Fund/Seligman**	10.7	19.1	1.5	559	4	4.75	0.65
C	A	**Sentinel Common Stock Fund/Equity**	16.4	12.8	3.8	597	9	8.50	0.77
A	C	**Sentinel Growth Fund/Equity**	14.0	23.1	1.1	56	14	5.25	1.21
B	D	**Sentry Fund/Sentry**	10.9	19.9	2.8	52	15	8.00	0.65
D	A+	**Sequoia Fund/Ruane**	19.3	13.0	4.1	977	13	†	1.00p
		Shadow Stock Fund/Jones & Babson	—*	–1.7	1.5	25	–5	none	1.33
D	F	**Sherman, Dean Fund/Sherman**	–0.1	4.4	none	3	6	none	2.24
•A	•C	**Sit New Beginning Growth Fund/Sit**	—*	21.0	1.0	74	36	none	1.12
•B	•B	**Sit New Beginning Income & Growth/Sit**	—*	17.1	2.4	18	29	none	1.50p
		Skyline Fund–Special Equities/Mesirow	—*	14.8	1.0	26	50	3.85	*1.60*
		SLH Aggressive Growth/Shearson	—*	24.8	0.1	107	24	5.00	1.17
B	B	**SLH Appreciation Fund/Shearson**	15.9	17.6	2.7	1,121	55	5.00	0.89
		SLH Equity–Growth & Opp/Shearson	—*	–3.7	2.7	183	–5	5.00b	*2.15*
		SLH Equity–Sector Analysis/Shearson	—*	10.3	2.7	213	–37	5.00b	*2.17*
		SLH Equity–Strategic Inv/Shearson	—*	8.2	3.5	218	22	5.00b	*2.32*
D	•B	**SLH Fundamental Value Fund/Shearson**	—*	10.8	2.8	82	–4	5.00	1.15
		SLH Income–Option Inc/Shearson	—*	10.2	9.5	522	–10	5.00b	*1.79*
		SLH Investment–Directions Val/Shearson	—*	13.0	2.0	307	–8	5.00b	*1.96*
C	•C	**SLH Investment–Growth/Shearson**	—*	12.3	5.3	856	–8	5.00b	*1.90*
		SLH Investment–Prec Metals/Shearson	—*	–3.4	0.4	69	–16	5.00b	*2.45*
•C	•D	**SLH Investment–Spec Equities/Shearson**	—*	8.6	3.7	120	–23	5.00b	*2.40*
		SLH Multi Opportunity LP/Shearson	—*	7.4	8.0	202	–22	3.00b	*3.00p*
		SLH Principal Ret–Zero & Apprec/Shearson	—*	12.6	5.7	138	–25	5.00	0.85
		SLH Small Capitalization/Shearson	—*	20.0	none	33	28	5.00	1.50p
		SLH Telecom–Growth/Shearson	—*	1.8	1.9	39	6	5.00	1.24
		SLH Telecom–Income/‡	—*	13.5	4.3	95	0	†	0.92
C	C	**Smith Barney Equity Fund/Smith Barney**	12.0	17.8	2.7	83	5	5.75	*0.79*
D	A	**Smith Barney–Income & Growth/Smith Barney**	16.0	7.6	5.8	586	4	5.75	0.44
C	A+	**SoGen International Fund/Sogen**	17.5	12.5	3.9	195	43	3.75	*1.38*
		Sound Shore Fund/Sound	—*	5.5	2.8	38	7	none	1.24
D	A+	**Source Capital/closed-end**	16.7	9.4	7.3	311	0	NA	0.96
		Southeastern Growth Fund/Wheat First	—*	3.8	1.2	106	4	5.00b	*2.24*

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Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance			Total return			Assets			
in UP —markets—	in DOWN —markets—	Fund/distributor	Annual average 11/80 to 6/90	Last 12 months	Yield	6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		SAM Small-Cap/Southeastern	—*	2.6%	2.0%	$65	96%	none	$1.50p
		SAM Value Trust/Southeastern	—*	2.5	1.8	148	34	none	1.35
D	A	**Sovereign Investors/Sovereign**	15.4%	16.5	4.7	80	53	5.00%	*1.07*
A	D	**Spectra Fund/closed-end**	13.0	24.5	none	5	23	NA	3.55
B	D	**State Bond Common Stock Fund/State Bond**	11.2	26.3	1.8	39	22	4.75	*1.06*
C	B	**State Bond Diversified Fund/State Bond**	13.1	12.4	4.2	24	18	4.75	*0.97*
B	D	**State Bond Progress Fund/State Bond**	10.7	25.4	0.9	9	20	4.75	*1.31*
A	C	**State Street Exchange Fund/‡**	14.4	19.1	2.2	199	11	none	0.62
B	C	**State Street Growth Fund/‡**	14.5	22.8	2.3	289	12	none§	0.54
B	C	**State Street Investment Trust/MetLife**	13.1	23.0	2.8	586	8	4.50	0.50
F	D	**Steadman American Industry/Steadman**	-6.1	-5.4	none	4	-3	†	7.00[1]
F	C	**Steadman Associated/Steadman**	5.1	9.6	none	12	-19	†	4.10[1]
F	D	**Steadman Investment Fund/Steadman**	-1.1	-0.7	none	5	-10	†	4.32[2]
F	F	**Steadman Oceanographic Tech & Gr/Steadman**	-6.9	7.5	none	3	4	†	6.34[2]
A	F	**SteinRoe Capital Opportunities/Stein Roe**	6.4	7.3	0.5	160	-15	none	1.10
A	C	**SteinRoe Special Fund/Stein Roe**	16.3	20.7	2.0	451	59	none	0.97
A	D	**SteinRoe Stock Fund/Stein Roe**	10.1	28.9	1.7	243	27	none	0.74
F	●C	**Strategic Gold/Minerals Fund/Strategic**	—*	-1.4	1.0	2	-30	8.50	1.50
		Strategic Silver Fund/Strategic	—*	18.6	none	22	-12	8.50	1.49
C	C	**Stratton Growth Fund/Stratton**	11.6	6.1	3.6	23	17	none	1.38
F	A+	**Stratton Monthly Dividend Shares/Stratton**	13.0	1.6	8.5	32	-5	none	1.25
		Strong Discovery Fund/Strong	—*	2.7	2.2	71	147	2.00	1.98
		Strong Opportunity Fund/Strong	—*	-3.2	4.0	178	-13	2.00	1.70
		SunAmerica Cap Apprec[3]/SunAmerica	—*	-3.2	1.3	180	-26	5.00b	*2.36*
		SunAmerica Equity–Aggress Grow[4]/SunAmerica	—*	-0.7	none	38	-26	4.75	*1.91*
		SunAmerica Equity–Grow[5]/SunAmerica	—*	14.9	0.7	40	-3	4.75	*1.78*
		SunAmerica Multi-Asset–Tot Ret[6]/SunAmerica	—*	5.6	2.4	33	-9	4.75	*2.08*
A	D	**Surveyor Fund/Alliance**	9.7	1.5	none	93	-12	5.50	*1.56*
		Templeton Value Fund/closed-end	—*	7.9	3.4	178	5	NA	1.35
C	B	**Templeton World Fund/Templeton**	15.6	9.1	3.5	4,581	6	8.50	0.69
		Thomson McKinnon–Growth/Thomson	—*	20.8	0.9	366	4	5.00b	*1.70*
		Thomson McKinnon–Oppor/Thomson	—*	15.7	none	44	-11	5.00b	*1.90*
		Thomson McKinnon–Prec Met/Thomson	—*	-5.5	none	8	19	5.00	*2.50*
		Tocqueville Fund/Freedom	—*	8.8	3.3	15	-13	none	*1.47p*
		Tower–Capital Apprec/Federated	—*	20.6	3.0	69	112	4.50	*0.56p*
		Transamerica Lowry Mkt Timing/Transamerica	—*	10.8	2.7	18	-16	4.75	*1.87p*
		Transamerica Special Blue Chip/Transamerica	—*	17.1	0.6	11	124	6.00b	*3.47p*

●Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. ‡Exchange fund, not currently selling new shares. §Distributor may impose redemption fee whose proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]As of 1988. [2]As of 1987. [3]Formerly Integrated Capital Appreciation. [4]Formerly Integrated Equity–Aggressive Growth. [5]Formerly Integrated Equity–Growth. [6]Formerly Integrated Multi-Asset Total Return.

Distributor table, page 248. Rules, page 176.

[illegible]

Performance			Total return			Assets			
in UP —markets—	in DOWN —markets—	Fund/distributor	Annual average 11/80 to 6/90	Last 12 months	Yield	6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes stock fund composite	12.1%	12.3%	2.7%				$1.44
		Transamerica Special Emerg Grow/Transamerica	—*	28.5%	none	$16	130%	6.00%b	*$3.48p*
		Transamerica Spec Natural Res/Transamerica	—*	16.4	0.0%	7	116	6.00b	*3.45p*
C	•C	**Transamerica Sunbelt Growth/Transamerica**	—*	13.4	6.1	31	–8	4.75	*1.85*
C	C	**Transamerica Technology Fund[1]/Transamerica**	11.0%	29.7	0.5	71	28	4.75	*1.83*
B	C	**Tri-Continental Corp/closed-end**	13.6	20.0	2.9	1,692	15	NA	0.55
		20th Century Giftrust Investors/20th Century	—*	30.8	none	33	76	none	1.00
A+	D	**20th Century Growth Investors/20th Century**	13.2	25.8	0.4	2,057	46	none	1.00
		20th Century Heritage Investors/20th Century	—*	19.1	0.8	221	177	none	1.00
A+	C	**20th Century Select Investors/20th Century**	16.6	25.4	2.9	3,299	34	none	1.00
A+	•F	**20th Century Ultra Investors/20th Century**	—*	16.6	2.1	397	17	none	1.00
		20th Century Vista Investors/20th Century	—*	34.1	none	494	117	none	1.00
•C	•B	**UMB Stock Fund/Jones & Babson**	—*	8.6	4.2	48	15	none	0.87
C	•C	**Unified Growth Fund/Unified**	—*	9.1	2.5	14	–19	none	1.18
D	B	**Unified Mutual Shares/Unified**	11.1	7.6	3.8	16	–11	none	1.11
C	B	**United Accumulative Fund/Waddell**	15.2	9.9	4.3	874	7	8.50	0.63
A	A	**United Income Fund/Waddell**	19.1	15.6	3.6	1,742	26	8.50	0.69
•D	•C	**United New Concepts Fund/Waddell**	—*	15.2	3.1	65	–16	8.50	1.27
C	C	**United Science & Energy Fund/Waddell**	12.0	17.8	1.8	264	15	8.50	0.84
F	•B	**United Services–Good & Bad/United**	—*	–0.5	3.1	10	–16	none	2.10
		United Services–Growth Fund/United	—*	9.5	1.2	5	4	none	2.40
		United Services–Income Fund/United	—*	8.9	3.4	8	47	none	1.94
B	C	**US Trend Fund/Capstone**	11.7	15.8	2.9	91	2	4.75	0.91
B	B	**United Vanguard Fund/Waddell**	15.6	11.3	3.6	814	10	8.50	0.96
		US Boston Inv–Growth & Inc/US Boston	—*	19.4	1.0	37	20	1.00b	*1.85*
		USAA Investment–Cornerstone/USAA	—*	6.6	3.8	570	14	none	1.23
		USAA Investment–Gold Fund/USAA	—*	–7.1	2.0	142	–11	none	1.44p
B	•D	**USAA Mutual–Aggressive Growth/USAA**	—*	10.6	1.1	158	9	none	0.96
C	D	**USAA Mutual–Growth Fund/USAA**	8.9	14.9	3.1	250	19	none	1.20
		USAA Mutual–Income Stock/USAA	—*	8.1	5.2	87	88	none	1.00p
		UST Master Funds–Equity/UST	—*	10.6	2.3	31	50	4.50	1.22
		UST Master Funds–Inc & Growth/UST	—*	–2.6	4.7	23	16	4.50	1.24
F	A+	**Valley Forge Fund/Valley Forge**	11.4	8.9	6.7	8	–1	none	1.35
		Value Line Convertible Fund/Value Line	—*	7.9	5.4	46	–23	none	1.05
C	C	**Value Line Fund/Value Line**	11.0	21.9	2.6	212	13	none	0.70
D	A	**Value Line Income Fund/Value Line**	12.6	10.6	7.1	144	7	none	0.75
C	B	**Value Line Leveraged Growth Inv/Value Line**	14.3	21.3	1.6	260	14	none	0.96
D	D	**Value Line Special Situations/Value Line**	5.0	8.7	1.5	119	–6	none	1.08

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Reflects performance of Criterion Pilot prior to June 1989 merger.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP	in DOWN —markets—	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average Forbes stock fund composite	14.9% 12.1%	16.4% 12.3%	3.2% 2.7%				$1.44
		Van Eck Gold/Resources Fund/Van Eck	—*	-4.8%	0.2%	$192	-14%	6.75%	*$1.48*
		Van Kampen Merritt Gr & Inc/Van Kampen	—*	4.4	3.5	26	-28	4.90	*1.58*
B	C	Vance, Sanders Exchange Fund/‡	13.0%	22.7	2.1	181	13	NA	0.71
D	C	Vance, Sanders Special Fund/Eaton Vance	6.5	15.7	0.4	57	3	4.75	*1.00*
		Vanguard Asset Allocation/Vanguard	—*	9.9	4.3	178	130	none	0.49
D	D	Vanguard Explorer Fund/Vanguard	7.7	5.8	1.2	290	1	none	0.64
		Vanguard Gemini II Capital[1] Vanguard Gemini II Income	—*	-3.7	6.5	281	-11	none	0.61
D	A+	Vanguard High Yield Stock/Vanguard	18.7	-11.6	11.0	110	-35	†	0.44
B	C	Vanguard Index-500 Portfolio/Vanguard	14.5	16.1	3.5	2,368	66	none[2]	0.20
		Vanguard Index-Extended Mkt/Vanguard	—*	4.3	1.8	185	97	none[3]	0.23
A	C	Vanguard/Morgan Growth/Vanguard	13.7	15.9	2.4	756	10	none	0.51
		Vanguard Primecap Fund/Vanguard	—*	17.5	1.1	310	25	none	0.74
		Vanguard Quantitative Portfolios/Vanguard	—*	16.2	3.2	204	33	none	0.53
B	D	Vanguard Small Cap[4]/Vanguard	7.5	0.9	1.2	47	78	none[2]	0.33
		Vanguard Special-Energy/Vanguard	—*	21.5	2.5	102	93	none§	0.38
		Vanguard Special-Health Care/Vanguard	—*	29.7	1.9	134	125	none§	0.39
		Vanguard Spec-Service Economy/Vanguard	—*	9.0	2.4	23	-11	none§	0.43
		Vanguard Special-Technology/Vanguard	—*	23.3	1.1	21	83	none§	0.48
C	B	Vanguard Trustees Comm-US/Vanguard	14.0	2.3	3.4	120	-11	none	0.51
B	A	Vanguard Windsor Fund/Vanguard	18.5	-1.0	5.8	7,935	1	†	0.38
		Vanguard Windsor II/Vanguard	—*	4.7	5.2	2,510	34	none	0.48
		Vanguard World-US Growth/Vanguard	—*	32.2	1.1	347	121	none	0.88
D	B	Variable Stock Fund/Variable	11.2	17.2	8.4	8	-10	none	1.53
		Viking Equity Index Fund-General/Fairfield	—*	13.9	2.1	12	24	none	1.52
		Voyageur Granit Growth Stock/Voyageur	—*	22.9	none	12	7	5.75	*2.31p*
B	D	Wall Street Fund/Wall Street	9.3	8.7	0.3	11	-15	5.50	1.93
B	A	Washington Mutual Investors/American Funds	17.8	8.9	4.3	5,349	54	5.75	*0.69*
		Weitz Series Fund-Value/Weitz Secs	—*	6.0	3.5	24	25	none	1.46
		Westwood Fund/Dreyfus	—*	10.1	4.0	56	4	4.00	1.27
D	D	Winthrop Focus Funds-Growth[5]/National Finl	8.2	14.5	2.2	52	-1	4.00b	*1.37*
		WPG Dividend Income Fund/Weiss	—*	3.1	6.7	9	1	none	1.97p
B	C	WPG Fund/Weiss	12.7	13.9	1.1	37	-1	none	1.51
A+	C	WPG Tudor Fund[6]/Weiss	16.5	18.7	0.6	203	9	none	1.12
		Zweig Fund/closed-end	—*	10.6	8.5	407	3	NA	1.31
		Zweig Series-Priority Selec[7]/Zweig/Glaser	—*	8.8	4.1	48	136	5.50	*1.35*
		Zweig Total Return/closed-end	—*	7.4	9.9	590	1	NA	1.14

*Fund not in operation for full period. †Closed to new investors. ‡Exchange fund, not currently selling new shares. §Distributor may impose redemption fee whose proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Dual Fund. Performance, asset and expense data on capital and income shares treated as a unit. [2]Annual $10 maintenance fee. [3]Annual $10 maintenance fee and 1% transaction fee. [4]Formerly Vanguard Naess & Thomas Special Fund. [5]Reflects performance of deVegh Mutual Fund prior to May 1987 merger. [6]Formerly Tudor Fund. [7]Reflects performance of Zweig-Blue Chip Fund prior to 1990 merger.

Distributor table, page 248. Rules, page 176.

Balanced funds

Balanced funds either mix stocks with bonds or buy convertible bonds, hybrid securities that combine features of fixed-income investments with some equity-like appreciation potential. Balanced funds are graded separately from stock funds, but over the same market cycles (see chart, page 177). These funds are generally more conservative than stock funds: They hold up better in a crash, but in a strong market (such as we've had in the past 12 months) they underperform stock funds. A handful of balanced funds get honor grades in both bull and bear markets: American Balanced, American Capital Equity Income, Fidelity Puritan and Phoenix Convertible. Starting on page 248 is a list of fund distributors and addresses. Closed-end funds have no distributor. They trade in the secondary market like shares of an industrial company.

Performance			Total return			Assets			
in UP —markets—	in DOWN	Fund/distributor	Annual average 11/80 to 6/90	Last 12 months	Yield	6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes balanced fund composite	7.2%	13.3%	5.6%				$1.38
		Adtek Fund/Adtek	—*	2.4%	3.7%	$9	–28%	none	$2.07
		Advantage Income Fund/Advest	—*	7.3	6.3	52	–8	4.00%b	*2.04*
D	D	**Aim Convertible Securities/AIM**	7.2%	16.0	3.2	12	–10	4.75	*2.12*
C	B	**Alliance Balanced Shares/Alliance**	14.1	–1.9	3.5	158	11	5.50	*1.36*
		Alliance Convertible Fund/Alliance	—*	1.6	5.3	61	–19	5.50	*1.92*
B	B	**American Balanced Fund/American Funds**	14.7	7.9	6.0	310	24	5.75	*0.78*
B	C	**American Capital Convert Secs/closed-end**	14.5	4.4	7.0	72	–6	NA	0.84
B	B	**American Capital Equity Income/American Cap**	15.5	12.3	6.1	96	–3	5.75	*0.83*
A	D	**American Capital Harbor Fund/American Cap**	12.3	8.2	6.0	377	1	5.75	*0.76*
		AMEV Advantage–Asset Alloc/AMEV	—*	11.7	5.1	24	254	4.50	*1.97*
B	D	**Axe-Houghton Fund B/Axe**	12.1	9.7	6.7	161	–2	none	*1.15*
		Bailard Biehl & Kaiser Diversa/Bailard	—*	6.6	4.0	99	–2	none	1.29
D	D	**Bancroft Convertible Fund/closed-end**	9.1	6.0	6.8	54	0	NA	1.50
		Bascom Hill Balanced Fund/Madison	—*	–0.9	5.7	15	23	5.00b	*2.00p*
		Boston Co Inv–Asset Alloc/Boston Co	—*	11.6	3.3	19	156	none	*2.00*
		Bruce Fund/Bruce	—*	30.2	2.4	3	–3	none	1.83p
		Calamos Convertible Income/Calamos	—*	6.9	7.1	15	–30	none	1.10
•C	•D	**Calvert Social Inv–Managed Grow/Calvert**	—*	7.9	2.3	251	26	4.50	*1.29*
		Carillon Investment–Capital/Carillon	—*	9.2	5.6	15	–24	5.00	1.28
D	B	**Castle Convertible Fund/closed-end**	11.6	8.2	7.7	48	0	NA	1.20
A+	C	**CGM Mutual Fund[1]/New England**	16.2	14.3	4.0	323	10	none	0.97
		Colonial Advanced Strategies Gold/Colonial	—*	–5.4	0.2	60	–22	6.75	*1.91*
A	D	**Colonial Fund/Colonial**	13.7	6.8	4.3	334	12	6.75	*1.04*
C	C	**Commonwealth Inv–Balanced/Trusteed**	11.5	12.8	5.4	46	19	7.50	0.98
C	C	**Composite Bond & Stock Fund/Murphey Favre**	11.9	3.1	5.8	72	0	4.00	*1.24*

•Fund rated for two periods only: maximum allowable grade A. *Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly Loomis-Sayles Mutual Fund.

Distributor table, page 248. Rules, page 176.

Performance in UP —markets—	 in DOWN	Fund/distributor	Total return Annual average 11/80 to 6/90	 Last 12 months	Yield	Assets 6/30/90 ($mil)	 % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes balanced fund composite	7.2%	13.3%	5.6%				$1.38
		Conn Mutual–Total Return/Phelps	—*	12.2%	6.0%	$69	15%	6.25%	$1.20
		Convertible Holdings–Capital[1]/closed-end Convertible Holdings–Income/closed-end	—*	0.1	none	265	–1	NA	0.80
		Convertible Securities & Income/Federated	—*	–3.4	9.8	29	83	4.50	*1.06p*
F	A	Country Capital Income Fund/Country Cap	11.3%	6.6	7.3	6	–2	3.00	1.39
		Dean Witter Convertible Secs/Dean Witter	—*	2.1	4.9	556	–33	5.00b	*1.85*
		Dean Witter Managed Assets/Dean Witter	—*	6.7	6.1	273	–2	5.00b	*1.77*
		Dean Witter Strategist/Dean Witter	—*	16.6	2.4	179	432	5.00b	*1.45*
		Delaware Group Delaware Fund/Delaware	—*	13.3	4.3	397	15	6.75	0.76
A	C	Dodge & Cox Balanced Fund/Dodge & Cox	14.3	12.9	4.8	62	37	none	0.72
B	D	Dreyfus Convertible Securities/Dreyfus	13.4	10.3	4.2	277	4	none	1.05
		Duff & Phelps Selected Utilities/closed-end	—*	8.2	9.3	1,142	0	NA	1.33
		Eaton Vance High Income Trust/Eaton Vance	—*	–6.3	15.3	229	–21	6.00b	*2.20*
D	A	Eaton Vance Inc Fund of Boston/Eaton Vance	11.7	–4.2	14.9	74	–15	4.75	*1.05*
C	C	Eaton Vance Investors Fund/Eaton Vance	12.8	10.0	6.1	205	–2	4.75	*0.92*
		Ellsworth Convert Grow & Inc/closed-end	—*	5.5	7.8	51	–3	NA	1.40
		Equitable Funds–Balanced/Equitable	—*	9.9	1.8	22	238	5.00b	*2.00p*
D	A	Federated Stock & Bond Fund/Federated	13.8	5.9	6.3	89	–3	none	1.01p
		Fidelity Asset Manager/Fidelity	—*	7.7	3.4	380	111	none	1.22
		Fidelity Balanced Fund/Fidelity	—*	7.8	9.0	223	63	2.00	0.93
		Fidelity Convertible Securities/Fidelity	—*	12.7	6.6	71	53	none	1.38
B	B	Fidelity Puritan Fund/Fidelity	16.4	4.3	7.5	4,865	4	2.00	0.65
		First Prairie Diversified Asset/Dreyfus	—*	9.7	7.4	8	27	4.50	*0.00p*
		Franklin Convertible Securities/Franklin	—*	5.8	7.2	20	20	4.00	0.24p
D	A	Franklin Income Fund/Franklin	12.7	4.4	11.1	1,434	36	4.00	0.54
		FundTrust–Growth & Income/Signature	—*	5.1	3.6	30	–23	1.50	*1.89*
		Heritage Income–Growth/Heritage	—*	–2.3	5.1	22	–5	4.00	*1.75p*
		Huntington CPI+ Fund/Huntington	—*	6.4	2.1	18	276	3.00	*2.00p*
C	B	IDS Mutual/IDS	13.9	3.6	6.4	1,671	5	5.00	0.69
C	A+	Income Fund of America/American Funds	16.4	6.0	8.8	2,094	76	5.75	*0.69*
		Investment Port–Total Return/Kemper	—*	13.2	4.0	572	12	5.00b	*2.17*
A+	F	Kemper Total Return Fund/Kemper	11.8	13.9	4.4	914	–3	5.75	0.78
C	C	Keystone Custodian K-1/Keystone	12.5	7.8	5.9	826	16	4.00b	*1.87*
		Lincoln National Convert Secs/closed-end	—*	9.2	7.0	96	–2	NA	0.94
		Mackenzie Growth & Income/Mackenzie	—*	2.6	1.4	13	75	2.75	*3.34p*
		Mackenzie No Amer Total Return/Mackenzie	—*	4.0	5.7	86	–46	5.00	1.36p
		MainStay–Convertible Fund[2]/NYLife	—*	1.3	5.6	20	–21	5.00b	*2.59*

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1] Dual fund. Performance, asset and expense data on capital and income shares treated as a unit. [2] Formerly MacKay-Shields MainStay–Convertible Fund.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP markets	**Performance** in DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.9%	16.4%	3.2%				
		Forbes balanced fund composite	7.2%	13.3%	5.6%				$1.38
		MainStay–Total Return Fund/NYLife	—*	12.9%	2.8%	$47	162%	5.00%b	*$2.41*
A	C	**Mass Financial Total Return/Mass Finl**	15.4%	10.3	5.9	759	31	4.75	*0.86*
		MassMutual Integrity–Balanced/MML	—*	10.7	4.4	42	28	4.50	*1.23p*
D	B	**Merrill Lynch Equi-Bond I Fund/ML Funds**	11.7	9.2	4.4	11	–10	†	2.48
•B	•C	**Merrill Lynch Phoenix Fund#/ML Funds**	—*	5.2	4.0	258	–8	6.50	1.32p
		Merrill Lynch Retire Benefit Inv#/ML Funds	—*	7.9	6.4	1,433	–19	6.50	0.82
		Merriman Timed Asset Alloc/Merriman	—*	7.8	4.5	22	558	none	1.49p
		MetLife-State Street Mngd Assets/MetLife	—*	9.7	6.2	65	86	4.50	*1.25p*
		Mimlic Asset Allocation Fund/Mimlic	—*	10.9	6.5	10	35	5.00	*1.33p*
F	A	**Mutual of Omaha Income/Mutual of Omaha**	12.2	8.7	7.8	171	4	4.75	*0.78*
		National Strategic Allocation/National Secs	—*	9.6	2.6	84	–27	5.75	*1.62*
C	B	**National Total Income Fund/National Secs**	15.9	6.6	6.0	224	34	5.75	*1.22*
B	D	**National Total Return Fund/National Secs**	13.9	10.6	4.3	265	0	5.75	*1.17*
		Noddings Convertible Strategies/Noddings	—*	0.5	8.1	4	–32	none	2.50p
		NA Security–Aggres Asset Alloc/Wood Logan	—*	–0.1	2.6	7	73	4.75	*2.74*
		NA Security–Conserv Asset Alloc/Wood Logan	—*	6.7	8.3	12	33	4.75	*2.62*
		NA Security–Mod Asset Alloc/Wood Logan	—*	1.8	6.1	45	7	4.75	*2.59*
		Olympic Trust–Balanced Income/Olympic	—*	6.2	6.1	10	22	none	1.00p
		Oppenheimer Asset Allocation/Oppenheimer	—*	6.1	4.5	85	24	4.75	*1.38*
		Oppenheimer Ninety Ten Fund/Oppenheimer	—*	2.8	8.8	11	–43	7.75	1.48
		Overland Express Asset Allocation/Overland	—*	8.9	5.8	29	63	4.50	1.76
		PaineWebber Asset Allocation/PaineWebber	—*	5.7	6.0	507	–19	5.00b	*1.84*
B	D	**Pax World Fund/Pax World**	12.9	17.2	4.2	108	29	none	*1.10*
•D	•C	**Permanent Port–Permanent/Permanent**	—*	1.8	none	88	–6	none	*1.17*
C	•B	**Phoenix Balanced Fund/Phoenix**	—*	16.5	4.7	489	14	6.90	0.88
B	B	**Phoenix Convertible Fund/Phoenix**	15.2	11.4	5.3	152	–2	6.90	1.02
		Piper Jaffray Balanced Fund/Piper	—*	6.8	4.2	16	22	4.00	*1.30p*
		Princor Managed Fund/Princor	—*	20.0	4.3	21	8	5.00	*1.26*
		ProvidentMutual Convertible[1]/Provident	—*	–1.1	3.8	9	–68	4.50	*2.69*
C	C	**ProvidentMutual Total Return[2]/Provident**	13.0	10.5	8.6	70	35	6.00	*1.17*
		Pru-Bache IncomeVertible#/Pru-Bache	—*	3.0	7.7	521	5	5.25	*1.23*
B	D	**Putnam Convert Income-Growth/Putnam**	12.1	4.1	6.3	716	–18	5.75	*0.93*
A	C	**George Putnam Fund of Boston/Putnam**	14.4	11.5	6.2	439	8	5.75	*0.73*
		Quest for Value–Asset Allocation/Quest	—*	12.4	1.9	6	150	5.50	*2.00p*
•C	•B	**Rea-Graham Balanced Fund/Rea**	—*	2.6	7.1	41	–17	4.75	*1.60*
		Rochester Convertible[3]/Rochester	—*	3.7	7.0	6	11	3.25	*2.43*

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. #Fund has two share classes, one with large 12b-1 fee and back-end load and the other with small 12b-1 fee and front-end load. Results shown are for front-loaded shares. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. [1] Formerly RNC Convertible Securities. [2] Formerly Sigma Trust Shares. [3] Formerly Rochester Convertible–Growth Fund.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP markets	**Performance** in DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Rodney Square Multi–Total Return/Rodney	—*	15.0%	3.0%	$22	12%	5.75%	*$1.75p*
		Royce Fund–Total Return/Quest Dist	—*	-10.1	3.7	3	–43	1.00b	*1.92*
		Schield–Timed Asset Allocation/Schield	—*	0.8	3.1	9	480	1.50	*2.33p*
D	A	**Seligman Income Fund/Seligman**	12.5%	4.0	8.8	150	–8	4.75	0.75
C	B	**Sentinel Balanced Fund/Equity**	15.2	9.5	6.4	78	12	8.50	0.91
		Skyline Fund–Balanced/Mesirow	—*	9.2	4.6	13	6	3.85	*1.63*
		SLH Income–Convertible/Shearson	—*	–1.9	7.1	102	–32	5.00b	*1.72*
		SLH Income–Utilities/Shearson	—*	7.1	7.0	618	32	5.00b	*1.80*
C	F	**SteinRoe Total Return Fund/Stein Roe**	9.7	9.5	4.8	140	1	none	0.88
D	•A	**Strong Investment Fund/Strong**	—*	3.5	5.3	230	–7	1.00	1.30
C	•C	**Strong Total Return Fund/Strong**	—*	–10.4	7.1	809	–35	1.00	1.38
		SunAmerica Inc–Convertible[1]/SunAmerica	—*	–2.5	6.5	14	–49	4.75	*2.11*
		TCW Convertible Securities Fund/closed-end	—*	3.2	10.6	167	–8	NA	0.95
		Templeton Income Fund/Templeton	—*	8.2	9.9	110	–5	4.50	1.10

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly Integrated Income–Convertible Securities.

Distributor table, page 248. Rules, page 176.

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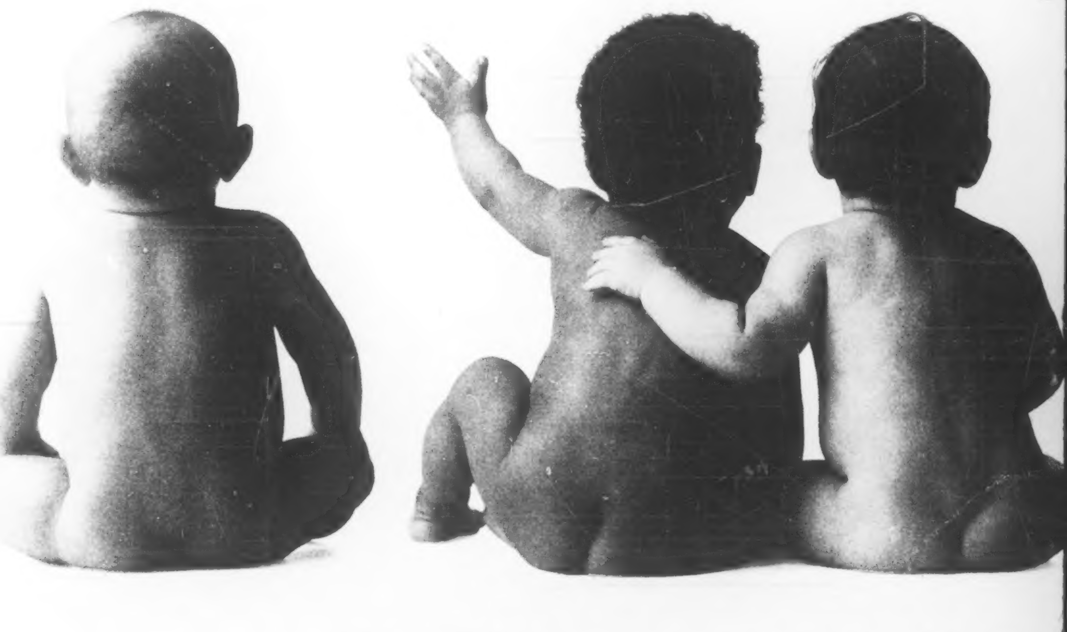

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Performance in UP markets	in DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/90	Last 12 months	Yield	Assets: 6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Thompson, Unger & Plumb/Thompson	—*	13.8%	2.6%	$12	46%	none	$2.00
C	C	**Transamerica Growth & Income/Transamerica**	12.9%	20.1	2.6	69	5	4.75%	*1.12*
		Transamerica Special Convertible/Transamerica	—*	12.4	4.5	9	–15	6.00b	*2.51*
		Triflex Fund/Securities Mgmt	—*	4.8	5.2	21	–9	7.50	1.31p
		20th Century Balanced/20th Century	—*	22.3	3.4	60	156	none	1.00
D	•D	**Unified Income Fund/Unified**	—*	6.7	7.4	5	–33	none	1.33
A	D	**United Continental Income Fund/Waddell**	14.7	10.7	5.5	320	5	8.50	0.81
B	C	**United Retirement Shares/Waddell**	13.6	13.0	4.1	161	28	8.50	0.87
		USAA Investment–Balanced/USAA	—*	6.4	4.3	38	120	none	1.00p
		Vanguard Convertible Securities/Vanguard	—*	7.3	5.9	55	–19	none	0.88
		Vanguard Equity Income Fund/Vanguard	—*	6.9	5.2	425	149	none	0.44
		Vanguard STAR Fund/Vanguard	—*	5.5	6.4	1,077	29	none	0.43
D	A+	**Vanguard Wellesley Income Fund/Vanguard**	15.1	8.2	8.0	919	37	none	0.45
A	C	**Vanguard Wellington Fund/Vanguard**	14.7	6.5	6.1	2,331	28	none	0.43

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor.

Distributor table, page 248. Rules, page 176.

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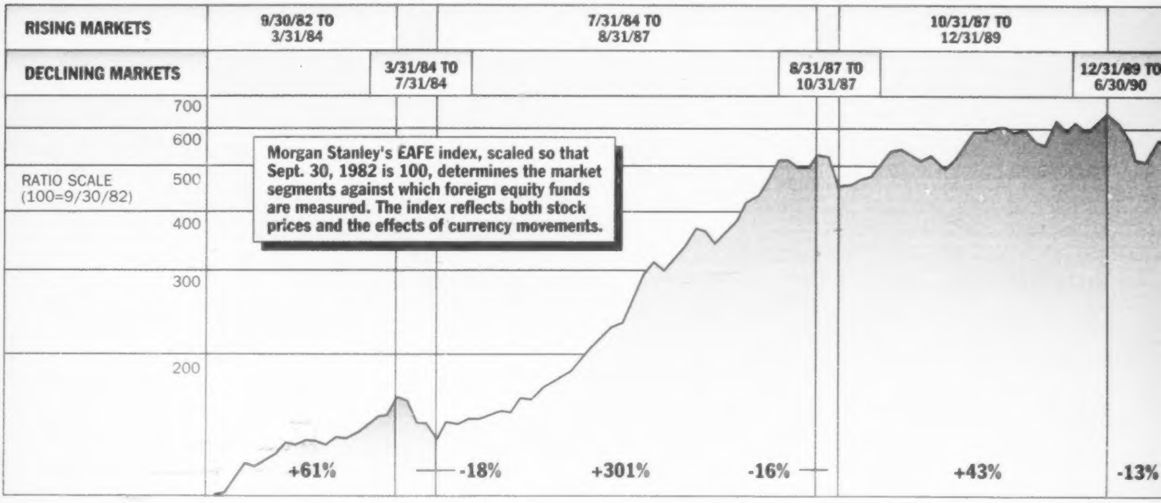
Foreign stock funds

U.S.-based stock funds with predominantly foreign portfolios are in this table. The benchmark for measuring foreign fund performance is the Morgan Stanley stock index for Europe, Australia, the Far East and New Zealand. The index aims to show the dollar return that a U.S. investor would have enjoyed in the average foreign stock. Thus, it reflects not only price movements on foreign bourses but also fluctuations in the value of the dollar. The standout performer on this table the Mexico Fund, the only one in our survey to rate a double A+. Mexican stocks were severely depressed in 1982, at th beginning of our foreign fund measurement period. Fund based overseas, whether they invest in local makets or in th U.S., are not covered in the main fund tables, although sampling of British investment trusts appears on page 152.



Morgan Stanley's EAFE index, scaled so that Sept. 30, 1982 is 100, determines the market segments against which foreign equity funds are measured. The index reflects both stock prices and the effects of currency movements.

Performance in UP markets	in DOWN markets	Fund/distributor	Total return: Annual average 9/82 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	27.0%	3.3%	1.4%				
		Forbes foreign stock fund composite	17.6%	18.0%	1.4%				$1.94
C	C	**Alliance Global–Canadian Fund/Alliance**	13.4%	–6.1%	none	$26	–17%	5.50%	*$2.33*
A	C	**Alliance International Fund/Alliance**	24.5	15.3	0.2%	266	60	5.50	*1.45*
		AMA Family of Funds–Global Growth/AMA	—*	14.2	4.1	109	5	none	*1.69*
D	D	**ASA Limited/closed-end**	8.0	10.2	6.1	552	4	NA	0.51
		Asia Pacific Fund/closed-end	—*	45.4	0.2	143	40	NA	1.72
		Babson-Stewart Ivory Intl/Jones & Babson	—*	23.4	0.3	11	184	none	2.68
		Boston Co Inv–International/Boston Co	—*	14.6	1.4	35	70	none	*1.77*
		Brazil Fund/closed-end	—*	–29.5	19.2	120	–40	NA	2.01
D	D	**Bull & Bear Gold Investors/Bull & Bear**	4.3	1.5	1.0	39	3	none	*2.49p*
		Capstone Intl–European Plus/Capstone	—*	22.6	0.3	15	NM	4.75	4.75p
		Clemente Global Growth Fund/closed-end	—*	28.8	none	73	27	NA	3.05
		Colonial Intl Equity Index/Colonial	—*	15.6	none	15	32	4.75	*2.86*
		Counsellors International Equity/Counsellors	—*	28.4	0.8	34	329	none	1.48p

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. NM: Not meaningful.

Distributor table, page 248. Rules, page 176.

Performance			Total return			Assets			
in UP —markets—	in DOWN —markets—	Fund/distributor	Annual average 9/82 to 6/90	Last 12 months	Yield	6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index Forbes foreign stock fund composite	27.0% 17.6%	3.3% 18.0%	1.4% 1.4%				 $1.94
•C	B	Dean Witter World Wide Inv/Dean Witter	—*	15.4%	1.7%	$323	10%	5.00%b	*$2.21*
		Dreyfus Strategic World Inv LP/Dreyfus	—*	19.7	none	21	18	3.00	*1.50p*
		Enterprise Group–Intl Grow/Enterprise	—*	15.5	none	10	82	4.75	*2.50p*
		Enterprise Group–Precious Metals/Enterprise	—*	4.7	2.4	6	20	4.75	*2.50p*
•B	•A	EuroPacific Growth Fund/American Funds	—*	27.8	1.9	805	222	5.75	*1.24*
		European Emerging Companies/Review	—*	23.5	0.2	35	172	4.50	*2.25p*
		Fenimore Intl Fund Equity/Burnham	—*	30.6	none	45	–7	5.00	*2.52p*
		Fidelity Canada Fund/Fidelity	—*	5.4	0.1	23	2	3.00b	2.00p
		Fidelity Europe Fund/Fidelity	—*	30.9	1.0	450	509	3.00b	1.54
		Fidelity International Grow & Inc/Fidelity	—*	21.1	1.1	36	42	2.00b	2.02p
		Fidelity Overseas Fund/Fidelity	—*	28.8	0.9	1,108	23	3.00	1.13
		Fidelity Pacific Basin Fund/Fidelity	—*	9.0	0.1	101	–8	3.00b	1.38
		Financial Strategic–European/Financial Prog	—*	25.2	1.1	90	NM	none	1.78
•A	C	Financial Strategic–Pacific Basin/Financial Prog	—*	14.7	0.1	20	–16	none	1.62
		First Australia Fund/closed-end	—*	7.3	6.0	59	1	NA	2.24
		First Iberian Fund/closed-end	—*	19.4	1.0	75	17	NA	2.20p
B	C	First Investors Global[1]/First Inv	22.8%	39.1	none	246	196	6.90	*1.75*
		Flag Investors International Trust/Brown	—*	19.4	4.1	51	59	4.50	*1.49p*
C	D	Franklin Gold Fund/Franklin	11.2	10.1	3.7	279	0	4.00	0.78
		Freedom Inv II–Global Fund/Freedom	—*	20.8	none	41	20	3.00b	*2.41*
		FT International/Federated	—*	20.9	1.2	78	26	4.50	1.52p
		GAM Global Fund/GAM	—*	27.1	0.2	26	58	5.00	*2.68*
		GAM International Fund/GAM	—*	29.1	0.5	26	45	5.00	*2.74*
		GAM Pacific Basin Fund/GAM	—*	32.3	none	12	125	5.00	*5.93p*
		Germany Fund[2]/closed-end	—*	45.8	0.5	173	147	NA	1.10
		GT Global Growth–Europe/GT Global	—*	29.6	none	1,705	NM	4.75	*1.90*
		GT Global Growth–Intl/GT Global	—*	26.1	none	348	508	4.75	*1.90*
		GT Global Growth–Japan/GT Global	—*	36.6	none	73	196	4.75	*2.10*
A	C	GT Global Growth–Pacific/GT Global	24.9	30.4	none	265	197	4.75	*2.00*
		GT Global Growth–Worldwide/GT Global	—*	23.3	none	85	351	4.75	*2.00*
		John Hancock Global Trust/Hancock	—*	18.1	0.8	103	–7	4.50	*2.02*
		John Hancock World–Pac Basin Eq/Hancock	—*	22.2	none	5	8	4.50	*2.24p*
		Harbor International/HCA Securities	—*	27.3	0.9	62	177	none	1.32p
		IAI International Fund/IAI Funds	—*	13.1	2.6	33	76	none	1.90
		IDS International Fund/IDS	—*	28.8	1.0	238	20	5.00	1.41
		IDS Precious Metals Fund/IDS	—*	–2.9	1.4	81	–12	5.00	1.46
		IDS Strategy–Pan Pacific Growth/IDS	—*	21.4	0.1	47	–4	5.00b	*2.42*

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. NM: Not meaningful. [1]Formerly First Investors International Fund. [2]Performance adjusted for secondary offering.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings/Foreign Stocks

Performance in UP markets	in DOWN markets	Fund/distributor	Total return Annual average 9/82 to 6/90	Last 12 months	Yield	Assets 6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	27.0%	3.3%	1.4%				
		Forbes foreign stock fund composite	17.6%	18.0%	1.4%				$1.94
		Italy Fund/closed-end	—*	50.6%	0.9%	$100	49%	NA	$1.90
		Ivy International Fund/Ivy	—*	21.6	0.8	80	118	none	1.80
B	B	Japan Fund/Scudder	27.5%	17.5	0.5	382	5	none	1.02
B	C	Kemper International Fund/Kemper	22.4	23.4	0.7	215	18	5.75%	1.06p
D	C	Keystone International Fund/Keystone	15.3	0.9	none	96	–16	4.00b	*2.79*
D	D	Keystone Precious Metals/Keystone	5.5	–4.5	1.8	168	–17	4.00b	*2.20*
B	C	Kleinwort Benson–Intl Equity/Kleinwort	23.3	22.8	1.4	93	51	none	*2.00*
		Korea Fund¹/closed-end	—*	–47.5	0.9	303	–6	NA	1.46
		Lexington Global Fund/Lexington	—*	15.3	0.2	56	33	5.00	1.64
		Lord Abbett Global–Equity/Lord Abbett	—*	13.5	1.1	37	149	6.75	*1.26p*
		Mackenzie Canada Fund/Mackenzie	—*	–6.8	2.5	16	54	5.00	*2.35p*
		MainStay–Global Fund²/NYLife	—*	7.8	none	21	10	5.00b	*3.57*
		Malaysia Fund/closed-end	—*	29.8	0.8	104	30	NA	1.95
		Merrill Lynch EuroFund#/ML Funds	—*	31.5	0.7	612	193	6.50	1.11
		Merrill Lynch Global Alloc#/ML Funds	—*	15.9	4.3	182	72	6.50	1.27
		Merrill Lynch Global Convert#/ML Funds	—*	3.3	5.2	23	–32	4.00	2.19p
•C	•B	Merrill Lynch Intl Holdings#/ML Funds	—*	18.7	1.8	225	20	6.50	1.49
A	D	Merrill Lynch Pacific Fund#/ML Funds	28.9	14.1	0.3	326	13	6.50	1.06
A+	A+	Mexico Fund¹/closed-end	41.0	38.0	3.7	297	32	NA	1.60
		MFS Lifetime Global Equity Trust/Mass Finl	—*	23.8	none	79	86	6.00b	*3.05*
		MFS Lifetime Gold & Prec Met/Mass Finl	—*	0.5	none	7	132	6.00b	*3.67*
		Nomura Pacific Basin Fund/Nomura	—*	14.0	1.3	60	–9	none	1.32
		Oppenheimer Global Bio-Tech/Oppenheimer	—*	29.9	none	13	594	6.75	*2.40*
C	B	Oppenheimer Global Fund/Oppenheimer	23.1	34.4	0.3	809	78	8.50	1.79
•A	•C	PaineWebber Classic Atlas Fund/PaineWebber	—*	20.1	0.7	216	16	4.50	*1.50*
		PaineWebber Classic World/PaineWebber	—*	15.8	5.3	102	4	4.50	*2.20*
		T Rowe Price Intl Discovery/Price	—*	47.1	0.9	164	NM	none	1.50p
B	B	T Rowe Price International Stock/Price	24.8	25.5	1.5	1,163	69	none	1.05
		Princor World Fund/Princor	—*	16.4	0.4	17	27	5.00	*1.68*
		ProvidentMutual World³/ProvidentMutual	—*	12.1	0.2	7	–4	6.00	*2.90*
•C	•C	Pru-Bache Global Fund#/Pru-Bache	—*	7.8	2.6	332	–17	5.25	*1.97*
		Pru-Bache Global Genesis#/Pru-Bache	—*	12.8	none	41	204	5.25	*3.90*
		Pru-Bache Global Natural Res#/Pru-Bache	—*	7.1	0.6	45	3	5.25	*2.72*
C	B	Putnam International Equities/Putnam	24.6	22.5	1.6	630	35	5.75	*1.40*
		Rodney Square Intl–Equity/Rodney	—*	21.9	0.6	71	19	5.75	*1.75p*
		Scudder Global Fund/Scudder	—*	20.0	0.5	257	183	none	1.81
B	B	Scudder International Fund/Scudder	25.1	25.7	1.5	936	66	none	1.18

●Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. #Fund has two share classes: one with large 12b-1 fee and back-end load and the other with small 12b-1 fee and front-end load. Results shown are for front-loaded shares. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. NM: Not meaningful. ¹Performance adjusted for secondary offering. ²Formerly MacKay-Shields MainStay Global Fund. ³Formerly Sigma World Fund.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings/Foreign Stocks

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 9/82 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	27.0%	3.3%	1.4%				
		Forbes foreign stock fund composite	17.6%	18.0%	1.4%				$1.94
		Scudder New Asia Fund/closed-end	—*	58.6%	0.7%	$131	45%	NA	$1.84
		SLH Equity–International/Shearson	—*	9.7	none	58	–17	5.00%b	*2.99*
•D	•C	**SLH Global Opportunities/Shearson**	—*	12.0	2.3	78	–17	5.00	1.63
		SLH Investment–Global Equity/Shearson	—*	13.4	0.9	9	0	5.00b	*3.05p*
		SLH Precious Metals & Mins/Shearson	—*	–2.4	2.1	27	–26	5.00	2.35
		Spain Fund/closed-end	—*	22.9	1.7	151	15	NA	1.81
		SteinRoe International Growth/Stein Roe	—*	21.3	none	20	26	none	2.17
F	F	**Strategic Investments Fund/Strategic**	–6.9%	–11.2	5.3	35	–26	8.50	1.62
		Swiss Helvetia Fund/closed-end	—*	28.5	none	118	28	NA	1.80
		Taiwan Fund[1]/closed-end	—*	–24.2	none	75	–36	NA	2.11
		Templeton Emerging Markets/closed-end	—*	48.8	1.0	186	45	NA	2.03
•B	A	**Templeton Foreign Fund/Templeton**	—*	32.1	3.0	881	126	8.50	0.81
C	B	**Templeton Global/Templeton**	18.5	7.9	2.5	893	2	8.50	0.95
C	A	**Templeton Growth Fund/Templeton**	19.8	16.3	3.8	2,662	26	8.50	0.66
		Thai Fund/closed-end	—*	72.8	1.6	221	57	NA	1.51
		Thomson McKinnon–Global/Thomson	—*	15.7	none	47	–14	5.00b	*2.30*
		Transamerica Spec Global Grow/Transamerica	—*	7.5	none	8	1	6.00b	*4.36*
		Tyndall World–Tiger/Tyndall	—*	19.1	0.3	8	938	5.00	3.30p
		Tyndall World–TV EuroPacific/Tyndall	—*	11.2	0.4	8	225	5.00	2.99p
		United Gold & Government Fund/Waddell	—*	–3.5	2.3	63	–23	8.50	1.49
C	A	**United International Growth/Waddell**	19.4	15.3	1.9	292	13	8.50	1.17
		United Kingdom Fund/closed-end	—*	4.3	1.6	46	–1	NA	1.92
•D	•D	**United Services–Global Resources/United**	—*	–0.5	7.9	32	–14	none	2.10
D	D	**United Services–Gold Shares Fund[2]/United**	1.5	5.5	5.0	295	25	none	1.46
		United Services–New Prospector/United	—*	–6.2	0.9	73	–16	none	1.95
		US Boston Inv–Foreign G&I[3]/US Boston	—*	15.5	0.3	32	47	1.00b	*2.00p*
		USAA Investment–International/USAA	—*	21.3	0.2	23	124	none	2.29p
		UST Master Funds–Intl/UST Secs	—*	21.0	1.6	26	94	4.50	1.34
D	D	**Van Eck International Investors/Van Eck**	9.3	11.0	2.3	699	–4	8.50	0.88
		Van Eck World Trends Fund/Van Eck	—*	18.0	1.3	57	–8	5.75	*1.56*
•C	•D	**Vanguard Spec–Gold & Prec Metals/Vanguard**	—*	5.0	2.8	161	30	none§	0.45
•B	A	**Vanguard Trustees Comm–Intl/Vanguard**	—*	25.7	2.6	820	61	none	0.46
		Vanguard World–Intl Growth/Vanguard	—*	25.2	1.2	828	79	none	0.64
		Warburg International Fund/Keffer	—*	14.4	0.3	11	4	4.50	1.11p
		Worldwide Value Fund/closed-end	—*	4.6	0.5	57	–5	NA	2.30
		WPG International Fund/Weiss	—*	11.1	none	16	189	none	2.30p
•D	•B	**Z-Seven Fund/closed-end**	—*	4.2	3.2	19	–9	NA	1.16

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. §Distributor may impose redemption fee whose proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Performance adjusted for secondary offering. [2]Formerly United Services-Prospector Fund. [3]Fund has Class A shares with a $5 million minimum investment.

Distributor table, page 248. Rules, page 176.

Foreign bond funds

Funds that buy foreign bonds look a lot better in this survey than they did in last year's: The average one-year total return is 13.6%, against a 2.5% average in the 1989 fund survey. These numbers are largely a reflection of the dollar's strength or weakness over the previous 12 months. When the dollar rises in value against other currencies, as it did in the year ended June 1989, foreign bond funds turn in very bad results to U.S. dollar investors. When the dollar falls, as it has recently, U.S. investors benefit from having their money parked in foreign currencies. The moral of this story: Don't take the glorious one-year returns you see below as an indication of likely returns over the long haul. Putting some of your fixed-income portfolio abroad will probably lessen the volatility in it, since diversification reduces volatility. There's nothing wrong with doing that. But buying foreign bonds probably won't do much to improve your long-term returns.

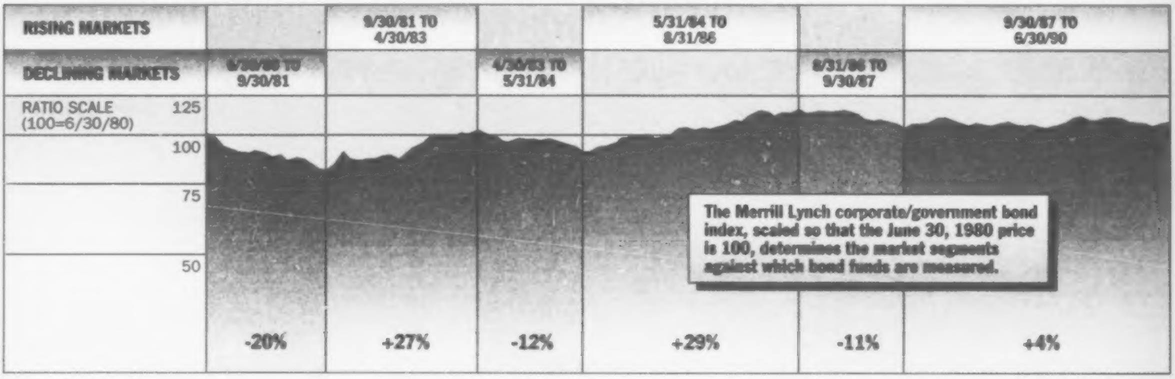
	Total return			Assets			
Fund/distributor	Annual average 9/82 to 6/90	Last 12 months	Yield	6/30/90 (millions)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
Forbes foreign bond fund composite		13.6%	8.8%				$1.44
Alliance Short-Term Multi Market Trust#/Alliance	—*	15.1%	11.0%	$949	-830%	$3.00	*$1.14*
Capital World Bond Fund/American Funds	—*	7.0	8.5	37	6	4.75	*1.30*
Dean Witter Worldwide Income/Dean Witter	—*	8.8	9.5	431	51	5.00b	1.81
Fidelity Global Bond Fund/Fidelity	—	11.0	4.3	80	86	none	1.47
First Australia Prime Income/closed-end	—*	23.4	12.5	833	9	NA	1.51
Freedom Inv II–Global Income/Freedom	—*	7.7	9.8	190	–18	3.00b	*1.84*
Global Government Plus/closed-end	—*	7.3	11.0	371	–13	NA	1.11
Global Income Plus Fund/closed-end	—*	16.4	8.7	238	7	NA	1.26
Global Yield Fund/closed-end	—*	13.2	9.7	586	–2	NA	1.07
GT Investment–Global Bond/GT Global	—*	4.0	7.9	40	20	4.75	*1.84*
International Cash–Global[1]/Huntington	—*	12.0	7.0	75	–12	2.25	*2.09*
Kleinwort Benson Australian Income/closed-end	—*	17.9	8.4	65	6	NA	1.64
Mass Financial Intl-Bond/Mass Finl	14.4%	13.6	3.9	122	–4	4.75	*1.42*
Merrill Lynch Retire Global Bond#/ML Funds	—*	15.0	9.5	276	3	4.00	1.05
PaineWebber Master Global Income/PaineWebber	—*	17.9	8.2	1,105	1	5.00b	*1.93*
T Rowe Price International Bond/Price	—*	10.4	8.6	306	16	none	1.23
Putnam Global Governmental/Putnam	—*	12.6	9.8	197	28	4.75	*1.62*
Scudder International Bond/Scudder	—*	17.6	9.0	73	446	none	1.25p
SLH Income–Global Bond/Shearson	—*	8.0	7.0	62	–39	5.00b	*2.05*
SLH Investment–European/Shearson	—*	30.1	0.5	26	878	5.00	*2.98p*
Templeton Global Govt Income/closed-end	—*	14.2	10.7	186	5	NA	1.18
Templeton Global Income Fund[2]/closed-end	—*	8.6	11.8	968	–2	NA	0.81
Van Eck World Income Fund/Van Eck	—*	18.8	9.7	43	15	4.75	*1.42p*
World Income Fund/closed-end	—*	15.7	12.3	296	2	NA	0.85

*Fund not in operation for full period. #Fund has two share classes, one with large 12b-1 fee and back-end load and the other with small 12b-1 fee and front-end load. Results shown are for front-loaded shares. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1] Invests in foreign money market instruments. [2] Performance adjusted for secondary offering.

Distributor table, page 248. Rules, page 176.

Taxable bond funds

Bond funds are rated according to the same formula as stock funds, with separate grades for up and down markets. The concept: It's easy to do well in either bull markets (by buying long-term bonds) or bear markets (by buying short-term bonds) but hard to do well in both. The rating period for bond funds starts in June 1980. To be rated at all, a bond fund must have been in existence since April 1983, or two full market cycles. Our benchmark for evaluating bond funds is the Merrill Lynch corporate/government bond index. Municipal bond funds are listed separately starting on page 230; foreign bond funds are shown on page 218. To get on the list below a fund must be at least a year old. Also, it must have either $100 million in assets or $25 million in assets and enough history to be rated.



The Merrill Lynch corporate/government bond index, scaled so that the June 30, 1980 price is 100, determines the market segments against which bond funds are measured.

Performance in UP	in DOWN		Total return			Assets			
—markets—		Fund/distributor	Annual average 6/80 to 6/90	Last 12 months	Yield	6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	11.5%	6.9%	8.8%				
		Forbes taxable bond fund composite	10.9%	3.0%	10.5%				$1.06
		AAL Income Fund/AAL Mutual	—*	7.0%	8.3%	$103	69%	4.75%	*$1.00p*
		AARP Income–GNMA & US Treas/Scudder	—*	8.3	8.8	2,553	–1	none	0.80
		AARP Income–High Quality Bond[1]/Scudder	—*	6.3	7.9	146	15	none	1.15p
		ACM Government Income Fund/closed-end	—*	5.4	12.5	477	–6	NA	1.39
		ACM Government Opportunity/closed-end	—*	6.0	11.3	104	–5	NA	1.25
		ACM Government Securities/closed-end	—*	6.0	12.5	665	–5	NA	1.32
		ACM Government Spectrum/closed-end	—*	5.2	10.9	269	–5	NA	1.42
		ACM Managed Income Fund/closed-end	—*	–1.2	12.2	255	38	NA	1.11
		Advantage Government Securities/Advest	—*	6.6	8.4	113	–9	4.00b	*1.45p*
F	A	**Aim High Yield Securities/AIM**	8.5%	–7.9	15.3	46	–35	4.75	*1.48*
		Alliance Bond–High Yield/Alliance	—*	–23.8	17.6	128	–53	5.50	*1.36*
A	D	**Alliance Bond–Monthly Inc Shs/Alliance**	11.5	3.3	10.0	68	30	5.50	*1.50*
		Alliance Bond–US Government/Alliance	—*	6.0	10.2	511	–4	5.50	*1.09*
		Alliance Mortgage Secs Income/Alliance	—*	8.1	10.6	510	–16	5.50	*1.13*
D	C	**AMA Family of Funds–US Govt Inc +/AMA**	9.0	7.1	8.5	39	–2	none	*1.85*

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly AARP Income–General Bond.

Distributor table, page 248. Rules, page 176.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Total return: Annual average 6/80 to 6/90	Total return: Last 12 months	Yield	Assets 6/30/90 ($mil)	Assets % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	11.5%	6.9%	8.8%				
		Forbes taxable bond fund composite	10.9%	3.0%	10.5%				$1.06
C	B	**American Capital Bond Fund/closed-end**	11.0%	2.5%	11.1%	$205	–7%	NA	$0.71
C	B	**American Capital Cerp Bond/American Cap**	10.7	1.1	10.2	203	–18	4.75%	*0.75*
		American Capital Govt Secs/American Cap	—*	5.7	9.9	4,108	–17	4.75	*0.90*
D	B	**American Capital High Yld Inv/American Cap**	8.4	–14.8	16.2	374	–39	4.75	*0.77*
		American Capital Income Trust/closed-end	—*	–4.2	13.4	115	–15	NA	0.97
		American Income-US Govt Guar/American Funds	—*	8.1	9.6	603	24	4.75	*0.97*
		American Government Income/closed-end	—*	10.2	12.2	141	1	NA	1.02
		American Government Inc Port/closed-end	—*	9.7	11.6	205	1	NA	1.02
		American High-Income Trust/American Funds	—*	3.3	12.1	144	21	4.75	*0.97p*
B	D	**AMEV Securities/closed-end**	10.3	2.9	11.5	106	–6	NA	0.85
C	B	**AMEV US Govt Securities Fund/AMEV**	11.4	7.9	9.6	155	38	4.50	0.83
B	C	**Axe-Houghton Income Fund/Axe**	11.9	5.0	8.8	64	1	none	*1.41*
C	B	**Babson Bond Trust–Long-Term/Jones & Babson**	10.7	6.3	8.8	84	18	none	0.97
		Bartlett Capital–Fixed Income/Bartlett	—*	6.5	8.4	158	–3	none	1.00
		Benham Government Inc–GNMA/Benham	—*	8.4	9.0	307	18	none	0.75p
		Benham Target Maturities–2015/Benham	—*	–4.0	none	319	92	none	0.70p
D	A	**Benham Treasury Note Fund/Benham**	9.6	6.9	7.6	104	28	none	0.75p
		Bernstein Govt Short Duration/Bernstein	—*	7.5	8.0	172	44	none	0.75
		Bernstein Intermed Duration/Bernstein	—*	6.6	8.0	246	63	none	0.73
		Bernstein Short Duration Plus/Bernstein	—*	7.8	8.0	391	28	none	0.70
		Blackstone Income Trust/closed-end	—*	14.6	13.0	507	2	NA	1.12
		Blackstone Target Term Trust/closed-end	—*	8.3	10.6	881	–3	NA	0.96
B	C	**Bond Fund of America/American Funds**	11.9	5.2	9.9	1,726	39	4.75	*0.76*
D	A	**Boston Co Managed Income/Boston Co**	10.2	3.1	8.6	78	1	none	*1.09*
C	C	**Bunker Hill Income Securities/closed-end**	10.3	–1.2	12.9	42	–12	NA	1.07
		Calvert Fund–Income/Calvert	—*	6.7	8.6	31	47	4.50	*1.14*
		Cardinal Government Guaranteed/Cardinal	—*	8.7	9.6	116	–6	4.75	0.75
		Cigna High Income Shares/closed-end	—*	–14.0	15.9	178	–22	NA	1.08
B	B	**Cigna High Yield Fund/Cigna Mutual**	11.7	–2.9	14.1	250	–17	5.00	*0.99*
A	C	**Cigna Income Fund/Cigna Mutual**	11.6	4.8	9.3	223	0	5.00	*0.96*
C	B	**Circle Income Shares/closed-end**	11.0	6.5	9.8	32	–3	NA	0.98
B	C	**CNA Income Shares/closed-end**	11.4	0.9	12.2	76	–8	NA	0.88
		Colonial Government Secs Plus/Colonial	—*	5.6	8.6	2,366	–14	6.75	*1.16*
D	A	**Colonial High Yield Securities/Colonial**	10.6	–4.3	15.1	323	–29	4.75	*1.21*
C	D	**Colonial Income Trust/Colonial**	10.1	2.5	10.3	152	–7	4.75	*1.15*

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings/Taxable Bond

Performance in UP	in DOWN	Fund/distributor	Total return: Annual average 6/80 to 6/90	Last 12 months	Yield	Assets: 6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
——markets——									
		Merrill Lynch corporate/govt bond index	11.5%	6.9%	8.8%				
		Forbes taxable bond fund composite	10.9%	3.0%	10.5%				$1.06
		Columbia Fixed Income Secs/Columbia	—*	7.2%	8.3%	$119	15%	none	$0.74
		Common Sense–Government/Common Sense	—*	5.5	9.1	129	38	6.75%	1.20
C	C	**Composite Income Fund/Murphey Favre**	9.6%	5.2	9.6	70	–49	4.00	*1.05*
		Comstock Partners Strategy Fund/closed-end	—*	1.2	7.5	1,201	–12	NA	0.89
A+	D	**Current Income Shares/closed-end**	12.6	6.5	9.3	44	–3	NA	0.90
		Dean Witter Government Income/closed-end	—*	9.3	9.5	536	–1	NA	0.74
		Dean Witter Govt Secs Plus/Dean Witter	—*	5.9	8.2	1,524	–21	5.00b	*1.51*
D	B	**Dean Witter High Yield Secs/Dean Witter**	7.3	-22.1	19.4	771	–61	5.50	0.55
		Dean Witter Intermediate Inc/Dean Witter	—*	4.4	9.0	116	328	5.00b	*1.42p*
		Dean Witter US Govt Securities/Dean Witter	—*	7.7	9.6	9,888	–2	5.00b	*1.19*
B	C	**Delaware Group Delchester H-Y-I/Delaware**	10.5	–4.9	14.4	524	–24	6.75	0.86
		Delaware Group Govt–Govt Inc/Delaware	—*	7.2	8.8	148	5	4.75	*1.16*
		Delaware Group Treasury–Inv/Delaware	—*	8.1	8.5	112	3	none	*0.97*
C	B	**Dreyfus A Bonds Plus/Dreyfus**	11.2	4.2	8.6	319	9	none	0.86
		Dreyfus GNMA Fund/Dreyfus	—*	8.4	9.0	1,528	–6	none	*0.97*
		Dreyfus Strategic Govt Income/closed-end	—*	9.3	10.0	158	–1	NA	0.86
		Eaton Vance Government Oblig/Eaton Vance	—*	8.3	9.9	284	–7	4.75	*1.22*
A+	F	**1838 Bond-Debenture Trading/closed-end**	12.6	6.7	9.0	53	–2	NA	1.16
		Equitec Siebel US Govt Secs/Equitec	—*	7.5	9.8	424	41	5.00b	*2.00*
B	F	**Excelsior Income Shares/closed-end**	9.9	6.9	6.1	39	1	NA	1.03
•B	•C	**Federated GNMA Trust/Federated**	—*	8.3	9.1	1,331	–16	none	0.53
D	C	**Federated High Income Securities/Federated**	10.0	–4.4	14.8	288	–25	4.50	*1.02p*
		Federated High Yield Trust/Federated	—*	–4.5	15.4	129	–41	none	0.78p
•B	•B	**Federated Income Trust/Federated**	—*	9.1	9.2	974	–12	none	0.50
		Federated Intermediate Govt/Federated	—*	7.2	8.0	894	–23	none	0.51
		Federated Short-Intermed Govt/Federated	—*	7.9	8.3	1,496	–25	none	0.48
B	D	**Fidelity Flexible Bond Fund/Fidelity**	10.1	6.3	8.8	390	8	none	0.70
		Fidelity Ginnie Mae/Fidelity	—*	8.1	8.2	634	–1	none	0.83
D	B	**Fidelity Government Securities/Fidelity**	10.3	7.1	8.6	485	–13	none	0.73
C	A	**Fidelity High Income Fund/Fidelity**	11.7	–7.8	13.7	1,193	–40	none	0.81
D	A	**Fidelity Intermediate Bond Fund/Fidelity**	11.4	6.6	8.5	698	24	none	0.72
		Fidelity Mortgage Securities/Fidelity	—*	8.3	8.1	385	–10	none	0.80
		Fidelity Short-Term Bond/Fidelity	—*	7.7	8.3	203	–10	none	0.83
		Fidelity Spartan Government Fund/Fidelity	—*	8.1	9.0	331	522	none	0.16p
		Fidelity Spartan Ltd Mat Govt¹/Fidelity	—*	7.5	8.2	134	7	none	0.80
C	C	**Financial Bond Shs–Select Inc/Financial Prog**	10.4	5.7	9.9	33	4	none	0.99

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. ¹Formerly Fidelity Short Term Government.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings/Taxable Bond

Performance in UP markets	**Performance** in DOWN markets	Fund/distributor	Total return: Annual average 6/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	11.5%	6.9%	8.8%				
		Forbes taxable bond fund composite	10.9%	3.0%	10.5%				$1.06
		First Boston Income Fund/closed-end	—*	1.2%	11.4%	$192	–9%	NA	$0.94
F	B	**First Investors Fund for Income/First Inv**	7.0%	–11.0	15.4	982	–42	6.90%	*1.02*
		First Investors Government Fund/First Inv	—*	7.6	8.8	232	–2	6.90	*1.01p*
		First Investors High Yield Fund[1]/First Inv	—*	–11.5	15.2	648	–12	6.90	*1.23*
		First Trust–US Government/Brown & Assoc	—*	8.6	8.8	217	–11	4.50	*0.89*
		Flag Inv Total Return US Treas[2]/Brown	—*	4.6	9.2	322	77	4.50	*0.88*
A+	F	**Fort Dearborn Income Securities/closed-end**	12.2	5.8	9.1	103	–3	NA	0.80
C	B	**FPA New Income Fund/Angeles Secs**	11.5	5.6	8.0	35	82	4.50	1.08
		Franklin Adjustable US Govt Secs/Franklin	—*	10.4	10.7	316	683	4.00	*0.39p*
D	B	**Franklin AGE High Income Fund/Franklin**	9.6	–6.7	16.6	1,712	–26	4.00	0.57
		Franklin Principal Maturity Trust/closed-end	—*	–2.2	13.3	165	–14	NA	3.60
B	D	**Franklin US Government Secs/Franklin**	10.2	8.6	10.1	11,253	–2	4.00	0.53
		Franklin Universal Trust/closed-end	—*	–6.4	14.9	206	–18	NA	5.23
		Freedom Inv–Govt Income[3]/Freedom	—*	8.0	7.9	136	–8	3.00b	*1.35*
B	D	**Fund for US Govt Securities/Federated**	10.3	7.6	9.3	1,048	–2	4.50	*0.96p*
		Government Income Securities/Federated	—*	7.4	10.2	1,281	–11	1.75b	0.90
		GT Investment–Global Govt Inc/GT Global	—*	9.3	11.5	201	110	4.75	*1.74*
B	D	**John Hancock Bond Trust/Hancock**	11.0	6.7	9.9	1,110	–2	4.50	*1.31*
A	D	**John Hancock Income Securities/closed-end**	11.9	6.7	9.6	147	–2	NA	0.71
B	B	**John Hancock Investors Trust/closed-end**	12.2	5.7	9.7	144	–3	NA	0.71
		John Hancock US Govt Guar Mort/Hancock	—*	7.9	8.9	314	–13	4.50	*1.15*
D	B	**John Hancock US Govt Securities/Hancock**	9.6	6.6	9.4	178	–4	4.50	*1.55*
B	C	**Hatteras Income Securities/closed-end**	11.7	4.4	10.5	48	–5	NA	0.98
		High Income Advantage Trust/closed-end	—*	–20.4	21.1	181	–33	NA	0.98
		High Income Advantage Trust II/closed-end	—*	–16.1	19.0	245	–29	NA	0.89
•C	•D	**Home Investors Govt Guar Inc/SunAmerica**	—*	7.7	8.0	136	–17	5.00b	*1.92*
B	D	**IAI Bond Fund/IAI Funds**	10.4	5.3	7.1	89	34	none	0.90
A	C	**IDS Bond Fund/IDS**	11.8	2.1	8.8	1,779	–1	5.00	0.75
		IDS Extra Income Fund/IDS	—*	–10.4	13.1	982	–26	5.00	0.82
		IDS Federal Income Fund/IDS	—*	8.4	8.5	234	28	5.00	0.82
A	D	**IDS Selective Fund/IDS**	11.9	4.8	8.1	1,194	7	5.00	0.77
		IDS Strategy–Income/IDS	—*	3.2	7.4	242	26	5.00b	*1.72*
A	D	**INA Investment Securities/closed-end**	11.0	5.1	9.4	84	–4	NA	1.03
A	F	**Independence Square Income Secs/closed-end**	11.3	2.2	9.3	30	–7	NA	0.97
A	C	**InterCapital Income Securities/closed-end**	12.0	3.1	11.7	209	–5	NA	0.71
		Intermediate Bond Fund of Am/American Funds	—*	6.4	9.3	135	43	4.75	*0.88p*

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly First Investors Bond Appreciation. [2]Assets include sister fund CJ Lawrence Total Return. [3]Formerly Freedom Investment–Government Trust.

Distributor table, page 248. Rules, page 176.

Performance in UP	in DOWN		Total return			Assets		Maximum	Annual
——markets——		Fund/distributor	Annual average 6/80 to 6/90	Last 12 months	Yield	6/30/90 ($mil)	% change '90 vs '89	sales charge	expenses per $100
		Merrill Lynch corporate/govt bond index	11.5%	6.9%	8.8%				
		Forbes taxable bond fund composite	10.9%	3.0%	10.5%				$1.06
		Investment Port–Diversified Inc/Kemper	—*	2.6%	13.5%	$279	–27%	5.00%b	*$2.16*
		Investment Port–Government[1]/Kemper	—*	4.7	9.3	5,189	–15	5.00b	*1.97*
		Investment Port–High Yield/Kemper	—*	–7.2	13.8	707	–17	5.00b	*2.11*
F	A+	Kemper Diversified Income Fund/Kemper	9.2%	2.0	14.4	238	–28	4.50	0.96
		Kemper High Income Trust/closed-end	—*	–11.6	15.8	166	–21	NA	1.93
B	A	Kemper High Yield Fund/Kemper	13.0	–3.8	14.6	1,454	–9	4.50	0.71
B	C	Kemper Income & Capital Preserv/Kemper	10.9	4.5	10.4	414	12	4.50	0.66
		Kemper Intermediate Govt/closed-end	—*	5.6	11.1	288	–4	NA	0.95
		Kemper Multi-Market Income/closed-end	—*	2.1	14.1	196	–11	NA	0.94
C	D	Kemper US Government Secs/Kemper	10.2	6.5	9.9	4,571	5	4.50	0.48
B	D	Keystone Custodian B-1/Keystone	10.2	5.8	8.5	455	7	4.00b	*1.93*
C	C	Keystone Custodian B-2/Keystone	10.4	–0.2	11.2	915	–7	4.00b	*1.82*
D	A	Keystone Custodian B-4/Keystone	8.7	–10.4	17.4	802	–35	4.00b	*1.98*
		Kidder, Peabody Government Inc/Kidder	—*	7.6	8.2	102	–11	4.00	*1.61*
		CJ Lawrence Total Return US Treas[2]/Brown	—*	4.6	9.2	322	77	4.45	*0.88*
C	D	Lexington GNMA Income Fund/Lexington	9.3	8.1	8.7	97	2	none	1.03
		Liberty Advantage US Govt Secs/Liberty	—*	8.4	9.5	303	34	4.50	1.10p
C	A+	Lincoln National Income[3]/closed-end	13.9	4.7	8.3	68	–3	NA	0.96
		Lomas Mortgage Securities Fund/closed-end	—*	9.8	10.8	327	–1	NA	1.10
D	A	Lord Abbett Bond-Debenture/Lord Abbett	10.7	0.6	12.0	594	–17	4.75	*0.59*
C	B	Lord Abbett US Govt Secs/Lord Abbett	11.8	7.2	10.6	1,386	20	4.75	*0.88*
		Lutheran Brotherhood High Yield/Lutheran	—*	–8.6	14.0	155	4	5.00	1.19
A	C	Lutheran Brotherhood Income/Lutheran	12.7	4.5	9.7	733	–1	5.00	1.02
		MainStay–Government Plus[4]/NYLife	—*	3.7	9.7	475	–7	5.00b	*1.85*
		MainStay–Hi Yield Corp Bond[5]/NYLife	—*	–8.6	15.3	202	14	5.00b	*2.12*
A	D	Mass Financial Bond Fund/Mass Finl	11.3	7.7	9.0	308	–3	7.25	0.75
D	A	Mass Financial High Inc–Series I/Mass Finl	10.5	–9.6	16.2	538	–34	7.25	0.87
D	A+	MassMutual Corporate Investors/closed-end	15.0	1.1	8.6	124	–9	NA	1.39
D	A	Merrill Lynch Corp–High Income#/ML Funds	11.0	4.1	13.6	706	–11	4.00	0.68
B	•D	Merrill Lynch Corp–High Quality#/ML Funds	—*	6.5	8.7	492	47	4.00	0.61
C	•C	Merrill Lynch Corp–Intermed/ML Funds	—*	7.4	8.8	88	2	2.00	0.71
		Merrill Lynch Federal Securities/ML Funds	—*	9.3	9.1	2,425	–15	4.00	*0.74*
		Merrill Lynch Retire/Income/ML Funds	—*	8.7	8.3	1,647	–5	4.00b	*1.40*
		MetLife-State Street Govt Inc/MetLife	—*	6.9	8.5	983	–23	none	*1.03*
		MetLife-State Street High Income/MetLife	—*	–5.8	14.9	181	69	4.50	*1.25p*
		MFS Government Guar Secs/Mass Finl	—*	6.1	8.6	327	–8	4.75	*1.29*

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. #Fund has two share classes, one with 12b-1 fee and back-end load and the other with front-end load only. Results shown are for front-loaded shares. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1] Formerly Investment Portfolio–Government Plus. [2] Assets include sister fund Flag Investors Total Return. [3] Formerly Lincoln National Direct Placement. [4] Formerly MacKay-Shields MainStay–Government Plus. [5] Formerly MacKay-Shields MainStay–High Yield Corp Bond.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings/Taxable Bond

Performance in UP markets	**Performance** in DOWN markets	Fund/distributor	Total return: Annual average 6/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	11.5%	6.9%	8.8%				
		Forbes taxable bond fund composite	10.9%	3.0%	10.5%				$1.06
		MFS Government Income Plus[1]/Mass Finl	—*	4.3%	7.1%	$1,207	–9%	4.75%	*$1.39*
		MFS Government Markets Inc/closed-end	—*	9.5	9.0	826	–3	NA	1.08
		MFS Govt Premium Account/Mass Finl	—*	4.4	7.2	396	100	3.75	*1.43p*
		MFS Intermediate Income/closed-end	—*	9.2	8.2	1,715	–3	NA	1.04p
		MFS Lifetime Govt Inc Plus/Mass Finl	—*	4.1	6.5	3,437	1	6.00b	*1.95*
		MFS Lifetime High Income Trust/Mass Finl	—*	–11.4	13.9	126	–16	6.00b	*2.37*
		MFS Multimarket Income Trust/closed-end	—*	9.1	11.0	996	–5	NA	1.19p
		MFS Multimarket Total Return/closed-end	—*	4.0	9.4	134	–6	NA	1.40
D	•B	Midwest Income–Intermed Govt/MGF	—*	5.3	7.6	38	–14	1.00	*1.04p*
B	D	Montgomery Street Income Secs/closed-end	11.0%	5.8	10.1	144	–5	NA	0.56
D	A	Mutual of Omaha America/Mutual of Omaha	9.8	6.3	8.2	52	1	4.75	*1.01*
A	C	Mutual of Omaha Interest Shares/closed-end	11.7	6.7	8.9	95	–1	NA	0.85
F	D	National Bond Fund/National Secs	6.3	–14.5	16.0	375	–44	4.75	1.05
		National Federal Securities/National Secs	—*	6.9	8.6	430	–26	4.75	0.89
C	D	Nationwide Bond Fund/Nationwide	9.7	6.3	9.8	36	0	7.50	0.68
		Neuberger & Berman Ltd Mat Bond/Neuberger	—*	8.2	8.2	117	12	none	0.65p
		New America High Income/closed-end	—*	–26.8	22.5	230	–37	NA	1.31
C	C	New England Bond Income/New England	10.2	6.3	8.2	80	11	4.50	*1.18*
		New England Government Secs/New England	—*	4.0	7.9	178	–1	4.50	*1.21*
C	C	Nicholas Income Fund/Nicholas	10.1	2.0	11.3	70	–13	none	0.81
C	C	Northeast Investors Trust/Northeast Inv	10.6	–5.5	15.4	298	–26	none	0.80
D	B	Oppenheimer High Yield Fund/Oppenheimer	9.8	0.8	14.1	651	–25	6.75	0.93
		Oppenheimer Multi Sector Inc/closed-end	—*	6.6	10.5	293	–4	NA	1.03
		Oppenheimer US Government/Oppenheimer	—*	6.4	9.6	266	15	4.75	*1.16*
A	C	Pacific American Income Shares/closed-end	12.3	7.2	10.0	100	–3	NA	0.88
		PaineWebber Fixed Inc–GNMA/PaineWebber	—*	8.3	8.7	851	–18	4.25	0.72
		PaineWebber Fixed Inc–Hi Yld/PaineWebber	—*	–6.0	15.2	248	–42	4.25	0.71
		PaineWebber Fixed Inc–Inv Gr/PaineWebber	—*	7.3	8.9	243	–14	4.25	0.65
		PaineWebber Master Income/PaineWebber	—*	2.2	8.3	173	–23	5.00b	*1.91*
		Parkstone Bond Fund/Winsbury	—*	6.9	7.8	316	155	4.50	0.84
		Parkstone Intermediate Govt Oblig/Winsbury	—*	7.0	8.0	100	20	4.50	0.81
		Permanent Port–Treasury Bill/Permanent	—*	7.6	none	124	173	none	*0.54p*
D	•B	Phoenix High Yield Fund/Phoenix	—*	–4.8	12.2	104	–34	4.75	0.90
		Pilgrim GNMA Fund/Pilgrim	—*	6.5	9.5	122	–16	4.75	*1.11*
D	A	Pilgrim High Yield Trust/Pilgrim	9.5	–3.6	15.0	30	–15	4.75	*1.86*
		Pilgrim Prime Rate Trust[2]/closed-end	—*	10.4	10.1	1,130	135	NA	1.46p

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Distributor table, page 248. Rules, page 176.

Annual Fund Ratings/Taxable Bond

Performance in UP markets	**Performance** in DOWN markets	Fund/distributor	Total return: Annual average 6/80 to 6/90	Total return: Last 12 months	Yield	Assets: 6/30/90 ($mil)	Assets: % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	11.5%	6.9%	8.8%				
		Forbes taxable bond fund composite	10.9%	3.0%	10.5%				$1.06
C	B	**Pioneer Bond Fund/Pioneer**	10.4%	6.2%	9.0%	$74	15%	4.50%	$0.90
		T Rowe Price GNMA Fund/Price	—*	8.1	9.1	405	13	none	0.90
		T Rowe Price High Yield Fund/Price	—*	−7.3	14.7	693	−45	none	0.97
D	B	**T Rowe Price New Income Fund/Price**	10.2	6.9	8.7	1,008	4	none	0.86
		T Rowe Price Short-Term Bond/Price	—*	7.6	8.2	209	−3	none	0.95
		Prospect Street High Income Port/closed-end	—*	−31.6	24.0	153	−22	NA	2.25
A+	D	**ProvidentMut US Govt Fund for Inc/Provident**	21.7	5.5	7.8	55	329	4.50	*1.57*
•C	•C	**Pru-Bache GNMA Fund#/Pru-Bache**	—*	6.1	7.7	220	−2	4.50	*1.13*
		Pru-Bache Govt Plus#/Pru-Bache	—*	6.1	7.6	3,585	−6	4.50	*0.92*
•C	•B	**Pru-Bache Govt Secs–Intermediate/Pru-Bache**	—*	5.7	8.5	343	−20	none	*0.86*
D	B	**Pru-Bache High Yield Fund#/Pru-Bache**	9.5	−7.1	14.0	2,092	−27	4.50	*0.86*
		Pru-Bache US Government[1]#/Pru-Bache	—*	3.5	7.1	179	3	4.50	*0.97*
		Prudential Intermediate Income/closed-end	—*	5.3	8.1	436	−6	NA	1.07
		Prudential Strategic Income/closed-end	—*	−1.8	10.9	521	−13	NA	1.03
		Putnam Diversified Income Trust/Putnam	—*	3.9	10.1	126	42	4.75	*1.25p*
		Putnam GNMA Plus Trust/Putnam	—*	7.6	8.3	866	−19	4.75	*1.09*
		Putnam High Income Govt/Putnam	—*	5.2	8.3	6,743	−19	6.75	*0.91*
C	B	**Putnam High Yield Trust/Putnam**	10.8	−6.6	16.0	1,739	−30	6.75	*0.72*
		Putnam High Yield Trust II/Putnam	—*	−9.0	16.0	318	−27	6.75	*1.23*
B	C	**Putnam Income Fund/Putnam**	11.6	4.7	10.2	431	13	4.75	*0.80*
		Putnam Intermediate Govt Inc/closed-end	—*	8.5	8.0	557	0	NA	1.00
		Putnam Master Income Trust/closed-end	—*	1.3	10.3	454	−10	NA	1.06
		Putnam Master Intermediate Inc/closed-end	—*	−1.1	11.1	317	−12	NA	1.04
		Putnam Premier Income Trust/closed-end	—*	1.9	9.6	1,150	−10	NA	0.99
		Putnam US Govt Guaranteed Secs/Putnam	—*	8.1	9.9	1,529	11	4.75	*0.65*
		RAC Income Fund/closed-end	—*	10.6	11.4	112	0	NA	1.26
•D	•D	**RPF of America–Bond Fund/Venture**	—*	5.2	9.7	58	−12	5.00b	*2.48*
		Scudder GNMA Fund/Scudder	—*	8.1	8.7	252	−1	none	1.05
B	C	**Scudder Income Fund/Scudder**	11.0	7.1	8.0	276	5	none	0.96
		Scudder Short Term Bond Fund/Scudder	—*	9.3	8.9	188	NM	none	0.36p
D	A	**Security Income–Corporate Bond/Security**	10.8	6.5	9.6	57	3	4.75	*1.08*
C	C	**Sentinel Bond Fund/Equity**	10.5	6.3	8.8	35	25	5.25	0.84
D	•A	**SLH High Yield Fund/Shearson**	—*	−8.0	17.0	280	−45	5.00	0.79
		SLH Income–High Income/Shearson	—*	−9.8	15.4	321	−47	5.00b	*1.65*
		SLH Income–Mortgage/Shearson	—*	7.3	8.4	645	880	5.00b	*1.62*
		SLH Investment–Govt Secs/Shearson	—*	6.5	8.3	1,691	−29	5.00b	*1.48p*
		SLH Investment–High Grade/Shearson	—*	4.3	8.2	440	−13	5.00b	*1.57p*

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. #Fund has two share classes, one with large 12b-1 fee and back-end load and the other with small 12b-1 fee and front-end load. Results shown are for front-loaded shares. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. NM: Not meaningful. [1]Formerly Pru-Bache Government Plus II.

Distributor table, page 248. Rules, page 176.

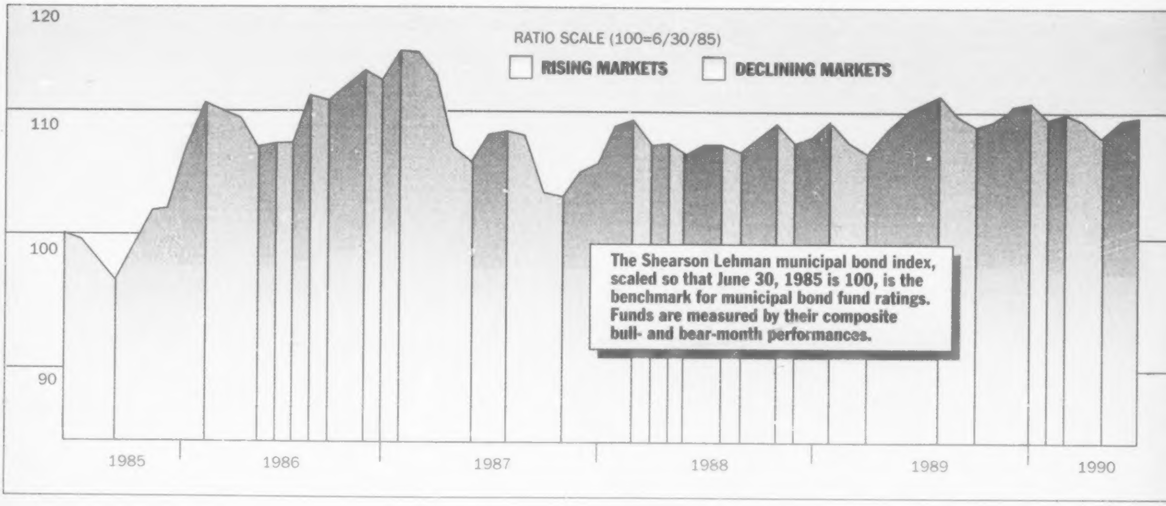
Performance in UP markets	in DOWN markets	Fund/distributor	Total return: Annual average 6/80 to 6/90	Total return: Last 12 months	Yield	Assets 6/30/90 ($mil)	Assets % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	11.5%	6.9%	8.8%				
		Forbes taxable bond fund composite	10.9%	3.0%	10.5%				$1.06
		SLH Managed Governments/Shearson	—*	8.7%	9.1%	$514	–17%	5.00%	$0.83
		Smith Barney–US Government/Smith Barney	—*	8.4	9.3	336	2	4.00	0.40
C	B	**State Mutual Securities Trust/closed-end**	11.3%	7.2	10.2	89	–2	NA	0.80
C	D	**SteinRoe Intermediate Bond/Stein Roe**	10.1	5.4	8.5	161	–2	none	0.74
		Strong Advantage Fund/Strong	—*	6.6	9.4	138	165	none	1.22
		Strong Income Fund/Strong	—*	–11.0	13.8	126	–50	none	1.38
		Thomson McKinnon–Income/Thomson	—*	2.8	10.9	394	–37	5.00b	*1.60*
		Thomson McKinnon–US Govt/Thomson	—*	5.2	8.9	479	–24	5.00b	*1.70*
		Transamerica Government Secs[1]/Transamerica	—*	4.8	11.1	841	–25	4.75	*1.09*
A	D	**Transamerica Income Shares/closed-end**	13.2	7.3	9.6	119	–2	NA	0.71
B	•D	**Transamerica Inv Quality Bond/Transamerica**	—*	4.9	10.1	86	–20	4.75	*1.18*
•D	•A	**20th Century US Governments/20th Century**	—*	5.8	8.7	435	2	none	1.00
		UMB Bond Fund/Jones & Babson	—*	8.1	7.5	34	19	none	0.88
A	D	**United Bond Fund/Waddell**	11.6	2.8	9.1	422	14	8.50	0.64
		United Government Securities/Waddell	—*	6.1	8.5	105	–6	4.25	0.78
D	B	**United High Income Fund/Waddell**	9.0	–13.9	16.4	882	–29	†	0.74
		United High Income Fund II/Waddell	—*	–7.6	12.4	278	–14	8.50	0.86
•A	•C	**USAA Mutual–Income Fund/USAA**	—*	7.8	9.0	418	31	none	0.57
B	C	**USLife Income Fund/closed-end**	10.9	–1.1	10.7	47	–11	NA	1.37
B	•C	**Value Line US Government Secs/Value Line**	—*	8.2	8.9	257	4	none	0.67
		Van Kampen Merritt Intermed Hi Inc/closed-end	—*	–12.8	18.1	176	–15	NA	1.56
		Van Kampen Merritt Hi Yield/Van Kampen	—*	–10.8	16.1	220	–38	4.90	*1.28*
		Van Kampen Merritt Ltd High Inc/closed-end	—*	–12.1	17.0	128	–15	NA	1.57
		Van Kampen Merritt US Govt/Van Kampen	—*	8.7	9.8	3,363	–8	4.90	*0.65*
		Vanguard Bond Market Fund/Vanguard	—*	7.6	8.9	171	72	none[2]	0.24
B	•C	**Vanguard Fixed Income–GNMA/Vanguard**	—*	8.9	9.1	2,318	16	none	0.31
C	B	**Vanguard Fixed Income–High Yld/Vanguard**	11.3	–1.0	13.3	905	–29	none	0.38
B	C	**Vanguard Fixed Income–Inv Gr/Vanguard**	11.3	6.0	9.0	1,082	31	none	0.34
•C	•A	**Vanguard Fixed Income–S-T/Vanguard**	—*	8.4	8.6	668	27	none	0.28
		Vanguard Fixed Inc–S-T Govt/Vanguard	—*	7.9	8.3	260	46	none	0.28
		Vanguard Fixed Inc–US Treas/Vanguard	—*	3.3	8.1	528	71	none	0.28
A–	C	**Vanguard Preferred Stock Fund/Vanguard**	11.8	8.2	8.9	61	–16	none	0.66
F	A+	**Venture Income (+) Plus/Venture**	8.8	–10.1	19.9	29	–45	4.75	*1.52*
A+	D	**Vestaur Securities/closed-end**	13.0	5.2	8.8	88	–4	NA	1.00
		WPG Government Securities Fund/Weiss	—*	7.7	8.3	105	26	none	0.75
		Zenix Income Fund[3]/closed-end	—*	–13.5	17.3	135	–20	NA	2.32
		Zweig Series–Govt Secs[4]/Zweig	—*	1.6	8.1	111	–25	4.75	*1.34*

•Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1] Formerly Transamerica Bond-US Government High Yield. [2] Annual $10 maintenance fee. [3] Formerly Zenith Income Fund. [4] Formerly Drexel Series-Government Securities.

Distributor table, page 248. Rules, page 176.

Municipal bond funds

We rate tax-exempt bond funds over the five-year period from June 30, 1985 to June 30, 1990. Our benchmark is the Shearson Lehman municipal bond index. Each month in the period is pegged as bearish or bullish, according to the performance of the Shearson index. For each rated fund a composite bull market performance is calculated, and the funds are awarded grades on the curve. Ditto for the down market calculation. Some adjustment is made to compensate one-state municipal bond funds for their handicap in buying only local bonds. In general, a short-term fund can be expected to get an A or B in down markets and a D or F in up markets. The reverse is true for long-term funds.



The Shearson Lehman municipal bond index, scaled so that June 30, 1985 is 100, is the benchmark for municipal bond fund ratings. Funds are measured by their composite bull- and bear-month performances.

Performance in UP —markets—	Performance in DOWN —markets—	Fund/distributor	Date started	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/90 ($mil)	Total assets % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index		11.4%	7.8%				
		Forbes municipal bond composite		5.5%	6.8%				$0.78
C	C	**AARP Insured T-F Inc–Genl Bond/Scudder**	11/84	5.2%	6.3%	$727	47%	none	$0.82
		Alliance Muni Income–CA/Alliance	12/86	6.6	7.1	135	98	4.50%	*0.38p*
		Alliance Muni Income–Ins CA/Alliance	11/85	5.1	6.5	57	24	4.50	*0.69p*
		Alliance Muni Income–Ins Natl/Alliance	12/86	5.5	6.6	116	7	4.50	*0.88p*
		Alliance Muni Income–Natl/Alliance	12/86	6.5	7.2	182	62	4.50	*0.34p*
		Alliance Muni Income–NY/Alliance	12/86	6.4	7.2	115	97	4.50	*0.34p*
		Allstate Muni Income/closed-end	9/87	5.5	7.7	332	-1	NA	0.76
		Allstate Muni Income II/closed-end	5/88	6.4	7.5	283	0	NA	0.87
		Allstate Muni Income Oppor/closed-end	9/88	8.7	8.9	199	3	NA	1.10
		Allstate Muni Income Oppor II/closed-end	6/89	7.6	6.7	192	3	NA	1.08
		Allstate Muni Premium Income/closed-end	1/89	5.9	7.4	368	47	NA	1.02
A	D	**American Capital Muni Bond/American Cap**	11/76	5.5	7.0	246	4	4.75	*0.71*

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 248. Rules, page 176.

Performance in UP —markets—	in DOWN	Fund/distributor	Date started	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/90 ($mil)	Total assets % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index		11.4%	7.8%				
		Forbes municipal bond composite		5.5%	6.8%				$0.78
		American Capital T-E–Hi Yld/American Cap	1/86	6.4%	8.2%	$225	–4%	4.75%	*$0.85p*
		American Funds Tax-Ex I–Md/American Funds	8/86	5.3	5.9	30	3	4.75	*0.98p*
		American Funds Tax-Ex I–Va/American Funds	8/86	5.6	6.0	33	12	4.75	*0.98p*
		American Funds T-E II–Calif/American Funds	10/86	4.6	5.9	83	27	4.75	*1.00*
		AMEV Tax-Free Fund–Minnesota/AMEV	6/86	5.3	6.8	26	29	4.50	0.98
		Benham Calif Tax-Free–High Yield/Benham	1/87	6.8	7.2	48	62	none	0.01p
		Benham Calif Tax-Free–Insured/Benham	1/87	4.5	6.3	58	41	none	0.65
D	A	**Benham Calif Tax-Free–Intermed/Benham**	11/83	6.6	6.1	189	11	none	0.60
B	D	**Benham Calif Tax-Free–L-T/Benham**	11/83	5.3	6.7	202	14	none	0.58
		Bernstein Diversified Muni/Bernstein	1/89	5.7	5.9	166	78	none	0.79
		Bernstein New York Muni/Bernstein	1/89	5.4	6.0	146	60	none	0.78
D	B	**California Tax-Exempt Bonds/National Secs**	5/83	5.9	7.0	110	2	4.75	0.66
		California Tax-Free Income/California Inv	12/85	6.6	7.3	86	43	none	0.60p
F	A+	**Calvert Tax-Free Reserves–Limited/Calvert**	4/81	6.5	6.3	131	–1	2.00	0.78
		Churchill T-F Fund of Kentucky/Aquila	5/87	6.7	6.8	50	96	4.00	0.08p
A+	F	**Cigna Municipal Bond Fund/Cigna Mutual**	3/77	5.1	7.0	259	1	5.00	*0.89*
		Colonial California Tax-Exempt/Colonial	6/86	5.7	7.0	206	37	4.75	0.70p
		Colonial High Income Municipal/closed-end	2/89	5.9	8.5	279	–2	NA	0.90
		Colonial Investment Grade Muni/closed-end	5/89	7.4	8.7	126	–2	NA	0.83p
		Colonial Massachusetts Tax-Ex/Colonial	4/87	5.5	7.4	60	104	4.75	*0.45p*
		Colonial Municipal Income Trust/closed-end	3/87	2.7	8.8	223	–5	NA	0.87
		Colonial New York Tax-Exempt/Colonial	9/86	4.8	6.7	26	5	4.75	1.46p
		Colonial Ohio Tax-Exempt Trust/Colonial	9/86	5.5	6.8	32	16	4.75	1.27p
D	A	**Colonial Tax-Exempt Fund[1]/Colonial**	11/78	5.6	7.7	1,716	14	4.75	*1.03*
		Colonial Tax-Exempt Insured/Colonial	12/85	5.7	6.7	131	11	4.75	*1.11*
C	C	**Columbia Municipal Bond Fund/Columbia**	7/84	5.0	6.5	192	24	none	0.60
D	B	**Composite Tax-Exempt Bond/Murphey Favre**	1/77	4.9	6.1	106	5	4.00	*0.80*
A	D	**Dean Witter Calif Tax-Free Inc/Dean Witter**	7/84	5.4	5.9	629	27	5.00b	*1.32*
B	D	**Dean Witter NY Tax-Free Inc/Dean Witter**	4/85	4.0	6.2	153	10	5.00b	*1.37*
B	B	**Dean Witter Tax-Exempt Secs/Dean Witter**	3/80	5.2	7.3	1,026	6	4.00	0.51
C	A	**Delaware Group Tax-Free–USA/Delaware**	1/84	3.6	7.3	614	20	4.75	0.75
C	B	**DMC Tax-Free Income Trust–PA/Delaware**	3/77	5.1	7.1	635	–6	4.75	0.73
		Dreyfus California Municipal Inc/closed-end	10/88	5.8	6.2	41	0	NA	0.98
D	B	**Dreyfus California Tax-Ex Bond/Dreyfus**	7/83	5.7	7.1	1,512	7	none	0.70
C	C	**Dreyfus Insured Tax-Ex Bond/Dreyfus**	6/85	5.3	6.6	198	4	none	*0.99*
D	A	**Dreyfus Intermediate Tax-Ex Bond/Dreyfus**	8/83	6.3	7.0	1,119	4	none	0.70p

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly Colonial Tax Exempt–High Yield Fund.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP —markets—	Performance in DOWN —markets—	Fund/distributor	Date started	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/90 ($mil)	Total assets % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index		11.4%	7.8%				
		Forbes municipal bond composite		5.5%	6.8%				$0.78
D	C	**Dreyfus Mass Tax-Ex Bond/Dreyfus**	6/85	5.5%	7.0%	$110	10%	none	$0.83p
		Dreyfus Municipal Income/closed-end	10/88	5.6	6.8	178	0	NA	0.83
		Dreyfus NJ Tax-Exempt Bond/Dreyfus	11/87	6.3	6.7	302	36	none	*0.82p*
		Dreyfus NY Insured T-E Bond/Dreyfus	2/87	4.2	6.7	84	47	none	*0.50p*
		Dreyfus NY Municipal Income/closed-end	10/88	4.9	6.4	33	0	NA	1.05
C	C	**Dreyfus NY Tax-Exempt Bond/Dreyfus**	7/83	5.1	7.1	1,690	1	none	0.70
		Dreyfus NY T-E Intermed Bond/Dreyfus	6/87	5.7	6.7	95	52	none	*0.30p*
		Dreyfus Strategic Municipals/closed-end	9/87	6.4	7.6	485	2	NA	0.89
C	B	**Dreyfus Tax-Exempt Bond Fund/Dreyfus**	10/76	5.9	7.2	3,775	4	none	0.67p
		Dupree–Kentucky T-F Income/Dupree	7/79	7.1	6.8	88	20	none	0.76p
		Eaton Vance California Munis/Eaton Vance	12/85	4.7	6.7	279	11	6.00%b	*1.97*
		Eaton Vance High Yield Munis/Eaton Vance	12/85	3.3	7.8	1,068	11	6.00b	*1.91*
B	B	**Federated Tax-Free Income Fund/Federated**	10/76	5.3	6.8	507	8	4.50	*0.90*
C	C	**Fidelity Calif Tax-Free–High Yield/Fidelity**	7/84	5.5	6.7	522	–2	none	0.60
		Fidelity Calif Tax-Free–Insured/Fidelity	9/86	4.6	6.4	92	20	none	0.75
		Fidelity Conn Muni–High Yield[1]/Fidelity	10/87	5.2	6.4	230	62	none	0.62
D	B	**Fidelity Mass Tax-Free–High Yield/Fidelity**	11/83	5.9	7.2	713	10	none	0.57
		Fidelity NJ Tax-Free Hi Yield/Fidelity	11/88	5.4	6.5	196	48	none	0.56p
C	C	**Fidelity NY Tax-Free–High Yield/Fidelity**	7/84	5.0	6.9	390	0	none	0.61
		Fidelity NY Tax-Free–Insured/Fidelity	10/85	5.2	6.5	216	15	none	0.65
		Fidelity Spartan Penn Muni–High Yld[2]/Fidelity	8/86	5.3	7.0	123	44	none	0.78p
		Fidelity State T-F–Michigan High Yld[3]/Fidelity	11/85	4.4	6.9	264	29	none	0.69
		Fidelity State T-F–Minnesota High Yld[4]/Fidelity	11/85	5.4	6.7	151	31	none	0.80
		Fidelity State T-F–Ohio High Yld[5]/Fidelity	11/85	5.3	6.8	219	20	none	0.71
		Fidelity Tax-Free–Aggressive/Fidelity	9/85	5.7	7.6	546	3	none§	0.69
B	C	**Fidelity Tax-Free–High Yield/Fidelity**	12/77	6.0	7.0	1,716	0	none	0.58
		Fidelity Tax-Free–Insured/Fidelity	11/85	5.2	6.5	186	14	none	0.70
D	B	**Fidelity Tax-Free–Ltd Term Munis/Fidelity**	4/77	5.5	6.6	431	1	none	0.66p
B	C	**Fidelity Tax-Free–Municipal Bond/Fidelity**	8/76	5.6	6.8	1,039	2	none	0.50
A+	F	**Financial Tax-Free Income Shs/Financial Prog**	8/81	5.1	6.6	179	25	none	0.74
D	A	**First Investors Insured T-E/First Inv**	8/77	5.1	7.2	1,109	7	6.90	*1.01*
		First Investors M-S Ins T-F–NJ/First Inv	9/88	5.1	6.6	25	170	6.90	*0.03p*
D	B	**First Investors NY Ins Tax-Free/First Inv**	6/84	4.0	6.5	155	12	6.90	*1.14*
		Flagship Tax-Ex–Arizona Double/Flagship	11/86	4.9	6.6	32	7	4.20	*0.85*
		Flagship Tax-Ex–Conn Double/Flagship	7/87	5.0	6.6	76	45	4.20	*0.60*
		Flagship Tax-Ex–Georgia Double/Flagship	4/86	4.4	6.7	36	0	4.20	*0.84p*

§Distributor may impose redemption fee whose proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available.

[1] Formerly Fidelity Connecticut Tax Free Fund.

[2] Formerly Fidelity Pennsylvania Tax Free–High Yield fund.

[3] Formerly Fidelity State Tax-Free Michigan.

[4] Formerly Fidelity State Tax Free Minnesota.

[5] Formerly Fidelity State Tax Free Ohio.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP —markets—	Performance in DOWN —markets—	Fund/distributor	Date started	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/90 ($mil)	Total assets % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index		11.4%	7.8%				
		Forbes municipal bond composite		5.5%	6.8%				$0.78
		Flagship Tax-Ex–Kentucky Triple/Flagship	5/87	6.0%	6.8%	$113	53%	4.20%	*$0.75*
A	D	**Flagship Tax-Ex–Mich Triple/Flagship**	6/85	5.4	6.6	106	21	4.20	*0.95*
		Flagship Tax-Ex–NC Triple/Flagship	4/86	4.9	6.4	96	9	4.20	*0.94*
B	C	**Flagship Tax-Ex–Ohio Double/Flagship**	6/85	5.3	6.6	235	17	4.20	*0.96*
		Flagship Tax-Ex–Penn Triple/Flagship	11/86	4.3	6.7	36	1	4.20	*0.92*
		Flagship Tax-Ex–Tenn Double/Flagship	11/87	4.8	6.7	75	17	4.20	*0.78*
		Flagship Tax-Ex–Va Double/Flagship	4/86	5.8	6.6	43	12	4.20	*0.91*
		Franklin Alabama Tax-Free Income/Franklin	9/87	5.6	7.2	31	152	4.00	0.42
		Franklin Arizona Tax-Free Income/Franklin	9/87	5.9	7.3	273	132	4.00	0.68
		Franklin Calif Insured T-F Income/Franklin	9/85	5.9	6.6	307	24	4.00	0.57
D	A	**Franklin Calif Tax-Free Income/Franklin**	2/77	6.5	7.4	10,920	13	4.00	0.49
		Franklin Colorado Tax-Free Income/Franklin	9/87	6.2	7.1	48	133	4.00	0.56p
		Franklin Conn Tax-Free Income/Franklin	10/88	5.7	6.6	31	214	4.00	0.36p
C	C	**Franklin Federal Tax-Free Income/Franklin**	9/83	5.9	7.5	3,995	6	4.00	0.50
		Franklin Florida Tax-Free Income/Franklin	9/87	5.9	7.6	425	307	4.00	0.66
		Franklin High Yield Tax-Free Income/Franklin	3/86	6.2	8.3	1,652	45	4.00	0.54
A	D	**Franklin Insured Tax-Free Income/Franklin**	4/85	5.6	7.2	758	20	4.00	0.54
C	D	**Franklin Mass Insured T-F Income/Franklin**	4/85	4.7	6.7	133	13	4.00	0.72
B	D	**Franklin Mich Insured T-F Income/Franklin**	4/85	5.5	6.6	458	13	4.00	0.63
B	D	**Franklin Minn Insured T-F Income/Franklin**	4/85	5.8	6.9	252	22	4.00	0.70
		Franklin Missouri Tax Free Income/Franklin	9/87	6.3	7.0	36	184	4.00	0.40
		Franklin New Jersey Tax-Free Income/Franklin	5/88	5.5	7.3	146	216	4.00	0.73
C	B	**Franklin New York Tax-Free Income/Franklin**	9/82	5.5	7.3	2,945	4	4.00	0.50
		Franklin NC Tax-Free Income/Franklin	9/87	6.2	6.7	33	96	4.00	0.50
B	D	**Franklin Ohio Insured T-F Income/Franklin**	4/85	5.6	6.6	235	10	4.00	0.65
		Franklin Oregon Tax-Free Income/Franklin	9/87	5.1	6.7	90	143	4.00	0.70
		Franklin Pennsylvania T-F Income/Franklin	12/86	5.3	7.5	220	106	4.00	0.73
D	B	**Franklin PR Tax-Free Income/Franklin**	4/85	5.8	6.7	85	–3	4.00	0.70
		Franklin Virginia Tax-Free Income/Franklin	9/87	6.1	7.1	51	138	4.00	0.60
		Freedom Inv–Managed Tax-Ex/Freedom	4/87	5.3	6.8	132	44	3.00b	*0.99p*
D	A	**General NY Municipal Bond/Dreyfus**	11/84	6.2	6.7	87	118	none	*1.32p*
A	D	**General Tax-Exempt Bond Fund/Dreyfus**	3/84	6.1	7.7	186	405	none	*0.28p*
A	C	**John Hancock Tax-Exempt Income/Hancock**	1/77	5.2	6.7	380	1	4.50	*0.94*
D	A	**Hawaiian Tax-Free Trust/Aquila**	2/85	5.6	6.8	349	26	4.00	0.73
		IDS California Tax-Exempt Fund/IDS	8/86	4.9	6.5	142	49	5.00	0.62
B	B	**IDS High Yield Tax-Exempt Fund/IDS**	5/79	5.3	7.4	4,611	5	5.00	0.60

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor

Distributor table, page 248. Rules, page 176.

Performance in UP	in DOWN —markets—	Fund/distributor	Date started	Latest 12 months total return	return from income dividends	Total assets 6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index		11.4%	7.8%				
		Forbes municipal bond composite		5.5%	6.8%				$0.78
		IDS Insured Tax-Exempt Fund/IDS	8/86	5.8%	6.4%	$133	68%	5.00%	$0.68
		IDS Michigan Tax-Exempt Fund/IDS	7/87	4.1	6.4	29	84	5.00	0.72
		IDS Minnesota Tax-Exempt Fund/IDS	8/86	4.6	6.6	181	49	5.00	0.64
		IDS New York Tax-Exempt Fund/IDS	8/86	5.1	6.5	68	40	5.00	0.64
A	**D**	**IDS Tax-Exempt Bond Fund/IDS**	11/76	10.8	6.7	1,061	6	5.00	0.61
D	**C**	**Inv Trust of Boston–Mass T-F/Inv Trust**	4/84	4.2	6.6	54	1	4.25	*1.41p*
C	**B**	**Kemper California Tax-Free Inc/Kemper**	2/83	5.1	6.7	719	37	4.50	0.61
B	**B**	**Kemper Municipal Bond Fund/Kemper**	4/76	5.5	7.2	2,085	16	4.50	0.48
		Kemper Municipal Income Trust/closed-end	10/88	3.7	7.8	404	–3	NA	0.62
		Kemper New York Tax-Free Fund/Kemper	12/85	5.6	7.2	166	201	4.50	0.00p
		Kemper Strategic Muni Income/closed-end	3/89	6.6	7.9	115	–1	NA	0.77
		Keystone America Tax-Free Inc/Keystone	4/87	4.9	6.4	153	–9	†	*1.62*
		Keystone Tax-Exempt Trust/Keystone	10/85	4.3	6.7	594	1	4.00b	*1.80*
C	**C**	**Keystone Tax-Free Fund/Keystone**	1/78	5.6	7.1	871	–5	†	*1.23*
		Landmark NY T-F Income/Landmark	9/86	4.7	5.7	78	6	none	*1.42*
		Limited Term Municipal–Calif/Thornburg	2/87	6.1	6.3	26	108	2.75	*1.00p*
F	**A+**	**Limited Term Municipal–Natl/Thornburg**	9/84	6.5	6.8	216	18	2.75	*1.11*
		Lord Abbett California T-F Inc/Lord Abbett	9/85	5.8	6.7	106	7	4.75	*0.55p*
B	**C**	**Lord Abbett Tax-Free–National/Lord Abbett**	4/84	5.8	7.0	322	5	4.75	*0.61*
B	**B**	**Lord Abbett Tax-Free–New York/Lord Abbett**	4/84	5.3	7.2	182	13	4.75	*0.60*
		Lord Abbett Tax-Free–Texas/Lord Abbett	1/87	6.2	7.1	27	10	4.75	*0.27p*
B	**B**	**Lutheran Brotherhood Muni Bond/Lutheran**	1/76	5.6	7.2	363	8	5.00	0.86
		MainStay–Tax-Free Bond[1]/NYLife	5/86	2.9	6.5	132	22	5.00b	*1.45*
		Merrill Lynch Calif Muni Bond#/ML Funds	9/85	5.8	6.7	706	5	4.00	0.65
B	**B**	**Merrill Lynch Muni–Hi Yield#/ML Funds**	11/79	5.5	7.3	1,545	0	4.00	0.55
C	**C**	**Merrill Lynch Muni–Insured#/ML Funds**	11/77	5.6	7.0	2,428	11	4.00	0.47
F	**A+**	**Merrill Lynch Muni–Ltd Mat/ML Funds**	11/79	6.1	6.2	352	–9	0.75	0.41
		Merrill Lynch Muni Income#/ML Funds	11/86	5.7	6.4	121	–12	2.00	0.90
		Merrill Lynch NY Muni Bond#/ML Funds	11/85	5.7	6.8	603	–7	4.00	0.67
		MFS Lifetime Mngd Muni Bond/Mass Finl	12/86	4.3	6.0	370	18	6.00b	*2.07*
C	**F**	**MFS Managed California Muni Bond/Mass Finl**	6/85	5.9	6.3	75	14	4.75	*1.00*
D	**A+**	**MFS Managed Hi Yield Muni Bond/Mass Finl**	2/84	5.2	8.7	683	47	†	1.02
D	**B**	**MFS Managed M-S Tax-Ex–Md/Mass Finl**	11/84	5.7	6.4	97	7	4.75	*1.18*
D	**B**	**MFS Managed M-S Tax-Ex–Mass/Mass Finl**	4/85	5.3	6.8	217	–3	4.75	*1.10*
		MFS Managed M-S Tax-Ex–NY/Mass Finl	5/88	5.1	6.9	28	134	4.75	*0.40p*
C	**B**	**MFS Managed M-S Tax-Ex–NC/Mass Finl**	11/84	5.4	6.5	196	27	4.75	*1.12*

#Fund has two share classes, one with 12b-1 fee and back-end load and the other with front-end load only. Results shown are for front-loaded shares. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* †Part of integrated financial account. b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly MacKay-Shields–MainStay–Tax-Free Bond.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance in UP —markets—	in DOWN —markets—	Fund/distributor	Date started	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
				total return	return from income dividends	6/30/90 ($mil)	% change '90 vs '89		
		Shearson Lehman municipal bond index		11.4%	7.8%				
		Forbes municipal bond composite		5.5%	6.8%				$0.78
D	B	**MFS Managed M-S Tax-Ex–SC/Mass Finl**	11/84	5.5%	6.3%	$65	23%	4.75%	*$1.21*
		MFS Managed M-S Tax-Ex–Tenn/Mass Finl	8/88	5.7	6.6	64	77	4.75	*0.53p*
D	A	**MFS Managed M-S Tax-Ex–Va/Mass Finl**	11/84	6.2	6.7	253	13	4.75	*1.12*
D	A	**MFS Managed M-S Tax-Ex–W Va/Mass Finl**	10/84	5.5	6.6	56	15	4.75	*1.22*
A	C	**MFS Managed Municipal Bond/Mass Finl**	12/76	4.8	6.8	1,396	16	4.75	0.62
		MFS Municipal Income Trust/closed-end	11/86	6.1	8.3	334	–1	NA	1.28
		Muni Bond Funds–California/Smith Barney	4/87	6.1	7.3	84	87	4.00	0.20p
		Muni Bond Funds–National/Smith Barney	9/86	6.5	7.6	173	43	4.00	0.35p
		Muni Bond Funds–New York/Smith Barney	2/87	4.9	7.3	31	117	4.00	0.25p
		Municipal High Income Fund/closed-end	11/88	5.8	8.1	166	2	NA	0.90
		MuniEnhanced Fund/closed-end	3/89	3.4	6.9	458	44	NA	0.66
		MuniVest Fund/closed-end	9/88	4.6	7.5	811	–1	NA	0.67
A	C	**Mutual of Omaha T-F Inc/Mutual of Omaha**	1/77	5.8	6.8	358	3	4.75	*0.63*
A	F	**New England Tax-Exempt Inc/New England**	5/77	5.1	6.6	145	5	4.50	*0.96*
D	F	**New York Muni Fund/Fundamental**	4/81	2.8	6.4	235	–1	none	*1.69*
		Nuveen California Muni Income/closed-end	4/88	6.7	6.8	59	–1	NA	0.74
		Nuveen California Muni Value/closed-end	10/87	6.3	6.6	184	0	NA	0.91
		Nuveen California T-F–Ins Bond/Nuveen	7/86	5.0	6.4	51	45	4.75	0.70
		Nuveen California T-F–Spec Bond/Nuveen	7/86	6.2	6.6	79	51	4.75	0.69
		Nuveen Insured T-F Bond–Natl/Nuveen	12/86	5.7	6.6	132	59	4.75	0.85
		Nuveen Insured T-F Bond–NY/Nuveen	12/86	5.1	6.5	55	120	4.75	0.80
C	B	**Nuveen Municipal Bond Fund/Nuveen**	11/76	6.2	6.8	1,294	18	4.75	0.62
		Nuveen Municipal Value Fund/closed-end	6/87	6.3	7.1	1,612	–1	NA	0.86
		Nuveen New York Muni Income/closed-end	4/88	5.7	7.0	28	–1	NA	0.86
		Nuveen New York Muni Value/closed-end	10/87	4.8	6.7	113	–2	NA	0.98
		Nuveen Performance + Muni/closed-end	6/89	4.7	6.4	1,171	55	NA	0.73
		Nuveen Premium Income Muni/closed-end	7/88	7.0	7.4	1,093	0	NA	0.66
		Nuveen Tax-Free Bond–New York/Nuveen	12/86	5.4	6.7	38	69	4.75	0.75p
		Nuveen Tax-Free Bond–Ohio/Nuveen	12/86	6.6	6.6	50	59	4.75	0.75
		Olympus Tax-Exempt California/Furman Selz	9/87	4.2	6.9	27	–16	4.25	*0.65p*
		Oppenheimer Calif Tax-Ex/Oppenheimer	11/88	6.8	7.0	72	151	4.75	*0.63p*
D	A	**Oppenheimer NY Tax-Ex/Oppenheimer**	8/84	4.8	6.4	243	34	4.75	*0.99p*
C	B	**Oppenheimer Tax-Free Bond/Oppenheimer**	10/76	5.6	7.0	239	16	4.75	*0.82p*
		Overland Express Calif Tax-Free/Overland	10/88	6.1	7.0	131	212	4.50	0.30p
D	B	**Pacific Horizon–Calif T-E Bond/Concord Finl**	3/84	6.0	6.7	104	13	4.50	*0.95p*

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance				Latest 12 months		Total assets			
in UP —markets—	in DOWN —markets—	Fund/distributor	Date started	total return	return from income dividends	6/30/90 ($mil)	% change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index		11.4%	7.8%				
		Forbes municipal bond composite		5.5%	6.8%				$0.78
		PaineWebber Calif Tax-Ex Inc/PaineWebber	9/85	5.9%	6.8%	$205	7%	4.25%	$0.68
B	C	**PaineWebber Tax-Exempt Inc/PaineWebber**	12/84	5.7	7.2	337	4	4.25	0.62
		Parkstone Muni Bond/Winsbury	10/88	4.6	5.8	100	47	4.50	0.82
		Pierpont Tax-Exempt Bond/TBC	10/84	6.2	6.6	145	13	none	0.80p
		Piper Jaffray Minnesota Tax-Exempt/Piper	7/88	4.8	6.6	62	71	4.00	*0.80p*
		Premier Calif Tax-Exempt Bond/Dreyfus	11/86	7.1	7.3	107	227	4.50	*0.00p*
		Premier NY Tax-Exempt Bond/Dreyfus	12/86	4.9	7.3	27	290	4.50	*0.00p*
		Premier State-Tax-Ex–Conn/Dreyfus	5/87	6.2	7.2	102	145	4.50	*0.00p*
		Premier State-Tax-Ex–Fla/Dreyfus	5/87	7.5	7.4	88	303	4.50	*0.00p*
		Premier State-Tax-Ex–Md/Dreyfus	5/87	6.8	7.2	105	220	4.50	*0.00p*
		Premier State-Tax-Ex–Mass/Dreyfus	5/87	5.9	7.5	48	83	4.50	*0.00p*
		Premier State-Tax-Ex–Mich/Dreyfus	5/87	5.5	7.4	71	392	4.50	*0.00p*
		Premier State-Tax-Ex–Minn/Dreyfus	5/87	6.5	7.4	55	219	4.50	*0.00p*
		Premier State-Tax-Ex–Ohio/Dreyfus	5/87	6.6	7.4	108	164	4.50	*0.00p*
		Premier State-Tax-Ex–Penn/Dreyfus	7/87	7.3	7.5	64	308	4.50	*0.00p*
		Premier Tax-Exempt Bond/Dreyfus	11/86	6.9	7.6	124	225	4.50	*0.00p*
		T Rowe Price Calif Tax-Free Inc–Bond/Price	9/86	4.9	6.2	73	36	none	0.80p
		T Rowe Price Md Tax-Free Bond/Price	3/87	5.3	6.3	233	58	none	0.71
		T Rowe Price NY Tax-Free Bond/Price	8/86	4.4	6.4	50	20	none	0.80p
C	A	**T Rowe Price Tax-Free High Yield/Price**	3/85	6.7	7.4	471	23	none	0.86
C	D	**T Rowe Price Tax-Free Income Fund/Price**	10/76	5.0	6.6	1,131	3	none	0.63
F	A	**T Rowe Price T-F Short-Intermed/Price**	12/83	6.0	5.8	221	4	none	0.74
		ProvidentMutual Penn Tax-Free[1]/Provident	10/86	4.7	5.9	30	6	4.50	*1.16*
		Pru-Bache Bond–Insured#/Pru-Bache	9/87	5.0	6.2	532	42	4.50	*0.62p*
C	C	**Pru-Bache Calif Municipal#/Pru-Bache**	9/84	4.7	6.1	179	1	4.50	*0.84*
C	C	**Pru-Bache Muni–Arizona#/Pru-Bache**	9/84	5.7	6.1	61	3	4.50	*0.93*
		Pru-Bache Muni–Hi Yield#/Pru-Bache	9/87	5.7	7.6	666	44	4.50	*0.60p*
D	C	**Pru-Bache Muni–Maryland#/Pru-Bache**	1/85	5.5	6.2	49	5	4.50	*1.00*
C	D	**Pru-Bache Muni–Mass#/Pru-Bache**	9/84	4.2	6.4	53	1	4.50	*0.97*
B	D	**Pru-Bache Muni–Michigan#/Pru-Bache**	9/84	4.4	6.1	50	8	4.50	*1.13*
		Pru-Bache Muni–NJ#/Pru-Bache	3/88	5.8	6.7	178	59	4.50	*0.90p*
C	D	**Pru-Bache Muni–New York#/Pru-Bache**	9/84	3.8	6.3	326	–4	none	*0.74*
C	D	**Pru-Bache Muni–NC#/Pru-Bache**	2/85	4.7	6.2	57	7	4.50	*0.99*
C	D	**Pru-Bache Muni–Ohio#/Pru-Bache**	9/84	4.9	6.3	91	4	4.50	*0.94*
		Pru-Bache Muni–Penn#/Pru-Bache	4/87	5.3	6.4	152	39	4.50	*0.48p*
B	C	**Pru-Bache Natl Municipals#/Pru-Bache**	4/80	4.4	6.4	951	–6	4.50	*0.76*

#Fund has two share classes, one with large 12b-1 fee and back-end load and the other with small 12b-1 fee and front-end load. Results shown are for front-loaded shares. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* p: Net of partial absorption of expenses by fund sponsor. [1]Formerly Sigma Pennsylvania Tax-Free Trust.

Distributor table, page 248. Rules, page 176.

Performance in UP —markets—	in DOWN	Fund/distributor	Date started	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/90 ($mil)	Total assets % change '90 vs '89	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index		11.4%	7.8%				
		Forbes municipal bond composite		5.5%	6.8%				$0.78
C	B	**Putnam California Tax-Ex Inc/Putnam**	4/83	5.3%	6.9%	$1,782	18%	4.75%	$0.52
		Putnam High Yield Muni/closed-end	5/89	6.3	8.5	185	–2	NA	NA
		Putnam Managed Muni Income/closed-end	2/89	5.1	8.2	387	–3	NA	NA
		Putnam Mass Tax-Free Inc/Putnam	10/86	4.7	6.4	76	8	2.50b	*1.60p*
		Putnam Michigan Tax-Ex Inc/Putnam	10/86	4.3	6.2	42	12	2.50b	*1.53p*
		Putnam Minnesota Tax-Ex Inc/Putnam	10/86	4.3	6.4	30	11	2.50b	*1.56p*
B	C	**Putnam New York Tax-Ex Inc/Putnam**	9/83	4.0	6.9	1,378	11	4.75	0.57
		Putnam Ohio Tax-Exempt Inc/Putnam	10/86	4.6	6.2	102	7	2.50b	*1.59p*
A+	D–	**Putnam Tax-Exempt Income/Putnam**	12/76	4.9	6.8	1,344	8	4.75	0.52
		Putnam Tax-Free Income–Hi Yield/Putnam	9/85	3.9	7.2	641	1	5.00b	*1.75*
		Putnam Tax-Free Income–Insured/Putnam	9/85	4.9	5.9	305	5	5.00b	*1.61*
		Rochester Fund Municipals/Rochester	5/86	8.4	7.4	156	153	4.00	*0.90*
B	F	**Safeco California Tax-Free Income/Safeco**	8/83	5.7	6.4	50	21	none	0.69
A	C	**Safeco Municipal Bond Fund/Safeco**	11/81	5.9	6.8	304	17	none	0.57
B	C	**Scudder California Tax Free Fund/Scudder**	7/83	5.4	6.3	199	10	none	0.83
		Scudder High Yield Tax Free Fund/Scudder	1/87	5.3	6.7	121	17	none	1.00p
B	D	**Scudder Managed Muni Bonds/Scudder**	10/76	5.3	6.8	697	4	none	0.62
		Scudder Massachusettes Tax Free/Scudder	6/87	4.7	6.7	51	36	none	0.60
C	C	**Scudder New York Tax Free/Scudder**	7/83	4.4	6.4	135	5	none	0.89
		Scudder Ohio Tax Free Fund/Scudder	6/87	5.9	6.7	30	94	none	0.50p
C	A	**Seligman Calif Tax-Ex–Hi Yield/Seligman**	11/84	6.5	6.7	50	–9	4.50	0.89
A	D	**Seligman Calif Tax-Ex–Quality/Seligman**	11/84	5.2	6.4	63	4	4.50	0.85
		Seligman New Jersey Tax-Exempt/Seligman	2/88	5.3	6.4	54	6	4.75	*0.57p*
		Seligman Penn Tax-Ex–Quality/Seligman	7/86	5.5	6.3	38	22	4.75	*0.92p*
		Seligman Tax-Exempt–Colorado/Seligman	5/86	4.9	6.5	64	1	4.75	0.88
		Seligman Tax-Exempt–Louisiana/Seligman	10/85	5.8	6.7	45	4	4.75	0.80
		Seligman Tax-Exempt–Maryland/Seligman	10/85	5.1	6.3	48	0	4.75	0.87
B	D	**Seligman Tax-Exempt–Mass/Seligman**	12/83	4.2	6.8	119	–6	4.75	0.79
A	D	**Seligman Tax-Exempt–Michigan/Seligman**	7/84	5.5	6.6	115	2	4.75	0.81
B	D	**Seligman Tax-Exempt–Minnesota/Seligman**	12/83	5.6	6.4	161	9	4.75	0.83
		Seligman Tax-Exempt–Missouri/Seligman	7/86	5.7	6.2	53	4	4.75	0.81
A	C	**Seligman Tax-Exempt–National/Seligman**	12/83	4.7	6.7	139	–3	4.75	0.78
A	D	**Seligman Tax-Exempt–New York/Seligman**	12/83	4.3	6.7	79	4	4.75	0.80
A	D	**Seligman Tax-Exempt–Ohio/Seligman**	12/83	5.7	6.7	137	3	4.75	0.79
		Seligman Tax-Exempt–Oregon/Seligman	10/86	5.4	6.2	33	8	4.75	0.71p
		Seligman Tax-Exempt–SC/Seligman	6/87	5.5	6.4	50	15	4.75	0.74p

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings

Performance				Latest 12 months		Total assets			
in UP	in DOWN				return from			Maximum	Annual
—markets—		Fund/distributor	Date started	total return	income dividends	6/30/90 ($mil)	% change '90 vs '89	sales charge	expenses per $100
		Shearson Lehman municipal bond index		11.4%	7.8%				
		Forbes municipal bond composite		5.5%	6.8%				$0.78
C	B	**SLH California Municipals/Shearson**	4/84	5.7%	6.7%	$326	–2%	5.00%	$0.74
		SLH Income–Tax-Exempt Income/Shearson	9/85	4.3	6.7	568	4	5.00b	*1.45*
B	B	**SLH Managed Municipals/Shearson**	3/81	5.7	7.5	1,435	–6	5.00	0.61
		SLH NJ Municipals/Shearson	4/88	6.3	6.9	43	27	5.00	0.57p
C	B	**SLH NY Municipals/Shearson**	1/84	5.0	7.1	432	–2	5.00	0.66
B	A	**SteinRoe High Yield Municipals/Stein Roe**	3/84	7.6	7.2	310	12	none	0.71
A+	D	**SteinRoe Managed Municipals/Stein Roe**	1/77	6.2	6.7	584	13	none	0.66
B	C	**Tax-Ex Bond Fund of America/American Funds**	10/79	5.4	6.9	542	24	4.75	*0.73*
		Tax-Free Fund of Colorado/Aquila	5/87	6.2	6.6	75	102	4.00	0.14p
		Tax-Free Trust of Arizona/Aquila	3/86	5.7	6.7	121	19	4.00	*0.53p*
		Tax-Free Trust of Oregon/Aquila	6/86	5.2	6.5	138	15	4.00	0.76
A+	D	**United Municipal Bond Fund/Waddell**	11/76	5.2	7.2	653	12	4.25	0.58
		United Municipal High Income/Waddell	1/86	7.1	7.9	191	19	4.25	0.72
B	C	**USAA Tax-Exempt–High Yield/USAA**	3/82	5.8	7.2	1,268	17	none	0.43
D	A	**USAA Tax-Exempt–Intermediate/USAA**	3/82	6.2	7.0	497	17	none	0.46
F	A+	**USAA Tax-Exempt–Short-Term/USAA**	3/82	5.6	6.5	298	18	none	0.52
		Value Line New York Tax-Ex/Value Line	7/87	4.5	7.2	31	14	none	1.01
D	A	**Value Line Tax-Exempt–Hi Yield/Value Line**	3/84	5.7	7.7	277	0	none	0.62
		Van Kampen Merritt Calif Ins T-F/Van Kampen	12/85	4.5	6.8	49	10	4.90	*0.75p*
		Van Kampen Merritt Calif Muni/closed-end	11/88	3.6	7.1	48	65	NA	0.27p
B	C	**Van Kampen Merritt Ins T-F/Van Kampen**	12/84	5.2	7.0	648	8	4.90	*0.88*
		Van Kampen Merritt Muni Inc/closed-end	8/88	5.4	7.2	418	–1	NA	1.42p
		Van Kampen Merritt Penn T-F Inc/Van Kampen	5/87	6.2	7.3	57	77	4.90	*0.55p*
		Van Kampen Merritt T-F Hi Inc/Van Kampen	6/85	5.2	8.5	640	7	4.90	*0.99*
		Vanguard California T-F–Ins L-T/Vanguard	4/86	5.6	6.6	324	63	none	0.23
A+	D	**Vanguard Muni Bond–High Yield/Vanguard**	12/78	5.2	7.3	989	15	none	0.27
A	C	**Vanguard Muni Bond–Ins L-T/Vanguard**	9/84	5.7	7.1	1,125	23	none	0.27
D	B	**Vanguard Muni Bond–Intermed/Vanguard**	9/77	6.7	6.9	1,232	27	none	0.27
		Vanguard Muni Bond–Ltd Term/Vanguard	8/87	7.1	6.4	228	38	none	0.27
A	D	**Vanguard Muni Bond–Long-Term/Vanguard**	9/77	5.7	7.2	696	12	none	0.27
F	A+	**Vanguard Muni Bond–S-T/Vanguard**	9/77	6.5	5.9	723	3	none	0.27
		Vanguard NJ T-F–Insured L-T/Vanguard	2/88	5.5	6.8	190	93	none	0.24
		Vanguard New York Insured T-F/Vanguard	4/86	5.1	6.6	214	53	none	0.30
		Vanguard Penn Tax-Free–Ins L-T/Vanguard	4/86	6.1	6.8	501	40	none	0.24
		Voyageur Colorado Tax-Free/Voyageur	4/87	5.8	6.4	43	55	3.90	1.00
D	A	**Voyageur Minnesota Tax-Free/Voyageur**	2/84	5.7	6.7	184	13	4.75	*0.77*

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. b: Includes back-end load that reverts to distributor. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 248. Rules, page 176.

Taxable money funds

Money market funds are either federally taxable or federally tax-exempt. Within each group, funds get pretty much the same yields on the paper they buy, but their returns differ because their overhead differs. (Look at the expense column on the right.) You should also compare the fees sometimes charged for such services as check-writing and wiring money. Taxable funds specializing in U.S. government-backed paper are marked with a •. These funds offer less risk with only slight, if any, yield penalties. They may or may not be exempt from state income taxes; on that score, read the article on page 132 and study the fund's portfolio. The listing of tax-exempt money market funds begins on page 245. For more information on a fund, contact the distributor listed after the fund's name (see page 248).

Portfolio average maturity days	Fund/distributor	Date started	Last 12 months return from income dividends	Total assets 6/30/90 ($mil)	Total assets % change '90 vs '89	Minimum initial investment	Annual expenses per $100
	Forbes taxable money fund composite		7.9%				$0.68
	Forbes tax-free money fund composite		5.4%				$0.64
60	**Active Assets Money Trust/Dean Witter**	2/81	8.1%	$3,448	16%	†	*$0.54*
40	**Alliance Capital Reserves/Alliance**	7/78	7.8	1,891	23	$1,000	*0.85*
56	**•Alliance Government Reserves/Alliance**	7/79	7.7	585	12	1,000	*0.88*
43	**Alliance Money Reserves/Alliance**	2/89	7.9	995	77	1,000	*0.91*
32	**Alex Brown Cash Reserve–Prime/Brown**	8/81	8.1	1,084	0	1,500	*0.58*
54	**•Capital Preservation Fund/Benham**	10/72	7.6	2,945	13	1,000	0.57
2	**•Capital Preservation Fund II/Benham**	6/80	7.9	650	–2	1,000	0.71
35	**•Cardinal Government Securities/Cardinal**	9/[illegible]	8.0	592	16	1,000	0.71
32	**Cash Accumulation–Natl MM/Thomson**	11/84	8.7	2,289	–11	500	*0.72*
13	**•Cash Equivalent Fund–Govt/Kemper**	12/81	8.0	2,619	–5	1,000	*0.70*
40	**Cash Equivalent Fund–MM/Kemper**	3/79	7.9	3,975	–39	1,000	*0.84*
22	**Cash Mgmt Trust of America/American Funds**	11/76	8.1	1,705	29	2,500	*0.54*
42	**CBA Money Fund/MLPF&S**	6/84	7.9	912	48	†	*0.68p*
11	**•CMA Government Securities/MLPF&S**	8/81	7.9	3,334	28	†	*0.57*
56	**CMA Money Fund/MLPF&S**	9/77	8.0	28,149	15	†	*0.55*
36	**Columbia Daily Income Co/Columbia**	11/74	7.9	746	17	1,000	0.69
46	**Command Money Fund/Pru-Bache**	2/82	8.1	2,669	21	†	*0.59*
24	**Daily Cash Accumulation Fund/Centennial**	7/78	8.0	4,709	19	500	*0.68*
55	**Dean Witter/Sears Liquid Asset/Dean Witter**	9/75	8.1	11,304	13	5,000	*0.53*
55	**•Dean Witter/Sears US Govt MM/Dean Witter**	2/82	7.6	843	17	1,000	*0.83*
55	**Delaware Group Cash Reserve/Delaware**	6/78	7.9	1,073	3	1,000	0.82
60	**Dreyfus Liquid Assets/Dreyfus**	1/74	8.1	7,695	2	2,500	0.66
65	**•Dreyfus MM Instrum–Govt Secs/Dreyfus**	5/79	7.8	631	–7	2,500	0.70
45	**Dreyfus NJ Tax Exempt MM/Dreyfus**	6/88	5.8	575	46	2,500	0.23p

•Specializes in U.S. government paper. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* †Part of integrated financial account. p: Net of partial absorption of expenses by fund sponsor.

Distributor table, page 248. Rules, page 176.

Portfolio average maturity days	Fund/distributor	Date started	Last 12 months	Total assets		Minimum initial investment	Annual expenses per $100
			return from income dividends	6/30/90 ($mil)	% change '90 vs '89		
	Forbes taxable money fund composite		7.9%				$0.68
	Forbes tax-free money fund composite		5.4%				$0.64
65	**Dreyfus Worldwide Dollar MM/Dreyfus**	2/89	8.8%	$7,906	322%	$2,500	0.00p
54	**FFB Funds–Cash Management/Furman Selz**	3/86	8.1	513	16	1,000	*$0.56*
65	**Fidelity Cash Reserves/Fidelity**	5/79	8.0	10,354	–1	2,500	0.74
43	**Fidelity Daily Income Trust/Fidelity**	5/74	8.1	2,890	4	5,000	0.64
33	**Fidelity Select–Money Market/Fidelity**	8/85	7.9	539	–33	1,000	0.83
47	**Fidelity Spartan Money Market/Fidelity**	1/89	8.7	8,245	212	20,000	0.09p
50	**•Fidelity US Government Reserves/Fidelity**	11/81	7.8	1,456	–3	2,500	0.75
14	**•First Prairie MM–Government/Dreyfus**	5/87	7.6	602	89	1,000	*0.93p*
25	**Franklin Money Fund/Franklin**	1/76	7.7	1,558	–4	500	0.74
31	**Freedom Cash Management/Freedom**	4/81	7.9	1,113	18	1,000	0.80
58	**•Fund for Govt Investors/Rushmore**	3/75	7.6	703	10	2,500	0.72
76	**General Money Market Fund/Dreyfus**	2/82	7.9	746	–2	2,500	*0.93*
64	**Gradison Cash Reserves Trust/Gradison**	5/76	7.8	648	13	1,000	*0.77*
56	**Heritage Cash Trust/Heritage**	11/85	7.9	690	66	2,500	*0.83*
36	**IDS Cash Management Fund/IDS**	10/75	7.8	1,606	15	2,000	0.75
40	**ED Jones Daily Passport Cash/Jones & Co**	3/80	7.8	2,351	45	1,000	0.85
14	**•Kemper Money Market–Govt Secs/Kemper**	11/81	8.2	808	66	1,000	0.45
40	**Kemper Money Market–MM/Kemper**	11/74	8.3	7,485	16	1,000	0.46
40	**Kidder, Peabody Premium Account/Kidder**	5/82	7.9	1,060	9	†	*0.68*
44	**Legg Mason Cash Reserve Trust/Legg Mason**	9/79	7.9	873	44	1,000	0.75
36	**•Liberty US Govt Money Market/Federated**	6/80	7.6	1,414	2	500	1.01
40	**Liquid Capital Income Trust/Carnegie**	11/74	7.6	1,449	25	1,000	0.72
44	**Mass Cash Management–Prime/Mass Finl**	12/75	7.9	637	0	1,000	0.83
23	**•Merrill Lynch Government Fund/ML Boston**	9/77	8.0	1,259	–8	5,000	0.46
29	**Merrill Lynch Institutional Fund/ML Boston**	12/74	8.2	1,667	12	25,000	0.45
49	**Merrill Lynch Ready Assets/ML Funds**	2/75	8.0	10,315	5	5,000	*0.63*
58	**Merrill Lynch Retire Reserves/ML Funds**	4/82	8.0	5,376	32	none	0.72
40	**National Liquid Reserves–Cash/Smith Barney**	8/74	8.1	2,121	25	1,500	0.51
38	**Natl Liquid Reserves–Retire/Smith Barney**	2/86	8.0	876	39	200	0.59
41	**Nationwide Money Market Fund/Nationwide**	3/80	8.0	571	16	1,000	0.74
62	**New England Cash Mgmt–MM/New England**	7/78	8.0	1,141	16	1,000	0.71
28	**Oppenheimer Money Market/Oppenheimer**	4/74	8.0	958	11	1,000	0.74
50	**Pacific Horizon–Prime[1]/Concord Finl**	3/84	8.1	1,536	18	1,000	*0.63*
42	**•Pacific Horizon–Treas[2]/Concord Finl**	3/84	7.9	1,843	48	1,000	0.55
50	**PaineWebber Cashfund/PaineWebber**	5/78	8.1	5,070	9	5,000	0.54
53	**PaineWebber RMA–MM/PaineWebber**	10/82	8.1	3,766	43	†	0.58

•Specializes in U.S. government paper. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* †Part of integrated financial account. p: Net of partial absorption of expenses by fund sponsor.

[1] Formerly Pacific Horizon–Money Market.

[2] Formerly Pacific Horizon–Government Money Market.

Distributor table, page 248. Rules, page 176.

Annual Fund Ratings/Taxable Money Funds

Portfolio average maturity days	Fund/distributor	Date started	Last 12 months return from income dividends	Total assets 6/30/90 ($mil)	Total assets % change '90 vs '89	Minimum initial investment	Annual expenses per $100
	Forbes taxable money fund composite		7.9%				$0.68
	Forbes tax-free money fund composite		5.4%				$0.64
53	**PaineWebber RMA–Retirement/PaineWebber**	7/88	7.9%	$1,812	35%	†	*$0.85*
40	**Parkstone Prime Obligations/Winsbury**	8/87	8.0	547	4	$1,000	0.65p
NA	**Pierpont Money Market/TBC**	11/83	8.2	2,071	9	25,000	0.47
57	**Piper Jaffray Money Market/Piper**	3/87	7.8	1,173	34	250	*0.94*
30	**T Rowe Price Prime Reserve Fund/Price**	3/76	7.9	4,650	10	2,500	0.75
68	**•Pru-Bache Govt Secs–MM/Pru-Bache**	1/82	7.9	808	53	1,000	*0.65*
38	**Pru-Bache Moneymart Assets/Pru-Bache**	6/76	7.9	8,237	20	1,000	*0.73*
45	**Putnam Daily Dividend Trust/Putnam**	10/76	7.9	762	8	1,000	0.85
3	**•Reserve Fund–Government/Resrv**	10/81	7.7	643	4	1,000	*0.95*
25	**Reserve Fund–Primary/Resrv**	11/71	7.7	1,918	8	1,000	*0.93*
38	**Rodney Square Fund–MM/Rodney**	10/82	8.2	627	–4	1,000	*0.52*
51	**Scudder Cash Investment Trust/Scudder**	7/76	7.9	1,633	4	1,000	0.67
37	**Short-Term Income–MM/Reich & Tang**	1/80	7.9	845	11	5,000	*0.74*
77	**SLH Daily Dividend/Shearson**	6/79	8.0	15,693	10	2,500	0.69
76	**•SLH Government & Agencies/Shearson**	10/80	7.8	2,832	1	2,500	0.75
43	**Standby Reserve Fund/Cowen**	11/81	8.0	569	34	2,000	0.63
49	**SteinRoe Cash Reserves/Stein Roe**	9/76	7.9	952	0	1,000	0.76
66	**Strong Money Market Fund/Strong**	10/85	8.2	790	17	1,000	0.70p
52	**•Summit Cash Reserves Fund/ML Funds**	12/82	7.9	539	–16	5,000	0.74
53	**20th Century Cash Reserve/20th Century**	3/85	7.7	717	27	none	1.00
55	**United Cash Management/Waddell**	8/79	7.9	566	27	1,000	0.95
46	**USAA Mutual–Money Market/USAA**	2/81	8.0	927	8	1,000	0.65
64	**•UST Master–Govt Money/UST Secs**	5/85	8.1	516	158	1,000	0.57
19	**Value Line Cash Fund/Value Line**	4/79	8.0	520	–13	1,000	0.64
39	**•Vanguard MM Reserves–Federal/Vanguard**	7/81	8.2	1,751	25	3,000	0.30
41	**Vanguard MM Reserves–Prime/Vanguard**	6/75	8.4	12,618	33	3,000	0.30
41	**Vanguard MM Res–US Treas/Vanguard**	3/83	8.0	860	209	3,000	0.30
40	**Vantage Money Market–Cash/Smith Barney**	10/82	8.0	1,184	26	†	0.63
42	**Webster Cash Reserve Fund/Kidder**	8/79	7.9	2,073	12	1,500	*0.64*

•Specializes in U.S. government paper *Expense ratio is in italics if the fund has a shareholder paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force* †Part of integrated financial account. p: Net of partial absorption of expenses by fund sponsor NA: Not applicable or not available

Distributor table, page 248. Rules, page 176.

Tax-free money funds

This table lists funds that buy short-term federally tax-exempt paper, such as tax anticipation notes issued by states and cities. The drawback to tax-exempt money markets is that almost all of the advantage you gain by avoiding taxes you lose by getting a lower return on your money—about one-third lower, on average. Portfolios invested entirely in one state, so-called double-tax-free funds, are usually exempt from that state's income tax. To appear on this table a fund must have either $100 million in assets or $25 million in assets and a one-state portfolio.

Portfolio average maturity days	Fund/distributor	Date started	Last 12 months return from income dividends	Total assets 6/30/90 ($mil)	Total assets % change '90 vs '89	Minimum initial investment	Annual expenses per $100
	Forbes taxable money fund composite		7.9%				$0.68
	Forbes tax-free money fund composite		5.4%				$0.64
50	Active Assets Tax-Free Trust/Dean Witter	7/81	5.4%	$1,175	7%	†	*$0.57*
38	Alliance Tax-Exempt Res–Calif/Alliance	6/88	5.0	104	–57	$1,000	*1.00*
63	Alliance Tax-Exempt Res–General/Alliance	1/83	5.5	799	15	1,000	*0.83*
58	Alliance Tax Exempt Res–NY/Alliance	10/86	5.1	63	49	1,000	*0.80p*
60	Benham Calif Tax-Free–MM/Benham	11/83	5.2	458	–5	1,000	0.56
23	Boston Co T-F Muni–Mass Money/Boston Co	7/83	5.6	158	19	1,000	*0.63*
14	California Daily Tax-Free Inc/Reich & Tang	2/87	5.2	110	26	5,000	*0.62p*
46	California Tax-Free MM/California Inv	12/85	5.7	78	–6	10,000	0.25p
43	Calvert Tax-Free Reserves–MM/Calvert	4/81	6.0	932	17	2,000	0.63
38	Carnegie Tax-Free Income Trust/Carnegie	8/82	5.2	217	–2	1,000	0.62
62	Cash Accumulation–Natl T-E/Thomson	11/84	5.7	218	–17	500	*0.69*
36	Cash Equivalent Fund–T-E MM/Kemper	7/82	5.5	1,178	–44	1,000	*0.63*
51	Centennial Tax-Exempt Trust/Centennial	9/81	5.4	579	19	500	*0.79*
40	CMA Calif Tax Exempt/MLPF&S	7/88	5.2	1,017	17	†	*0.65p*
81	CMA New York Tax Exempt/MLPF&S	7/88	5.1	479	41	†	*0.71p*
59	CMA Tax-Exempt Fund/MLPF&S	1/81	5.6	7,876	13	†	*0.54*
57	Command Tax-Free Fund/Pru-Bache	2/82	5.5	714	17	†	*0.70*
65	Connecticut Daily Tax-Free Inc/Reich & Tang	5/85	5.2	213	–7	5,000	*0.78*
26	Counsellors New York Tax-Ex/Counsellors	4/85	5.2	72	51	1,000	0.50p
28	Daily Tax-Free Income Fund/Reich & Tang	11/82	5.5	725	0	5,000	*0.76*
34	Dean Witter Calif T-F Daily Inc/Dean Witter	7/88	5.1	364	6	5,000	*0.68*
48	Dean Witter/Sears T-F Daily Inc/Dean Witter	2/81	5.4	905	–1	5,000	*0.61*
12	Dreyfus California Tax-Ex MM/Dreyfus	1/86	5.3	381	10	2,500	0.60
47	Dreyfus New York Tax-Ex MM/Dreyfus	6/87	5.2	528	17	2,500	0.65p
30	Dreyfus Tax-Exempt MM/Dreyfus	8/80	5.5	2,060	–5	2,500	0.58
87	Empire Tax-Free Money Market/Reich & Tang	5/84	5.2	196	4	5,000	*0.77p*
58	Evergreen Tax Exempt MM/Lieber	11/88	6.1	288	175	2,000	0.29p
29	Evergreen Tax Exempt MM–Calif/Lieber	11/88	5.6	36	29	2,000	0.27p
35	Federated Tax-Free Trust/Federated	3/79	5.6	1,913	–13	25,000	0.46p

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Distributor table, page 248. Rules, page 176.

Portfolio average maturity days	Fund/distributor	Date started	Last 12 months return from income dividends	Total assets 6/30/90 ($mil)	Total assets % change '90 vs '89	Minimum initial investment	Annual expenses per $100
	Forbes taxable money fund composite		7.9%				$0.68
	Forbes tax-free money fund composite		5.4%				$0.64
54	**FFB Funds–Tax-Free MM/Furman Selz**	9/86	5.4%	$125	–6%	$1,000	*$0.64*
46	**Fidelity Calif Tax-Free–MM/Fidelity**	7/84	5.2	582	–21	5,000	0.60
31	**Fidelity Mass Tax-Free–MM/Fidelity**	11/83	5.3	743	15	5,000	0.62
38	**Fidelity New Jersey Tax-Free–MM/Fidelity**	3/88	5.8	483	56	5,000	0.25p
50	**Fidelity NY Tax-Free–MM/Fidelity**	7/84	5.1	581	–9	5,000	0.61
38	**Fidelity Spartan Penn Muni–MM¹/Fidelity**	8/86	5.9	240	58	25,000	0.15p
38	**Fidelity Tax-Exempt–MM/Fidelity**	1/80	5.6	2,705	–4	5,000	0.43
37	**First Prairie T-E Money Market/Dreyfus**	2/86	5.5	144	14	1,000	*0.98*
23	**Flag Inv T-F Cash Reserve Shs/Brown**	4/83	5.6	296	34	1,500	*0.40p*
29	**Franklin Calif Tax-Exempt Money/Franklin**	9/85	5.5	1,041	30	500	0.59
53	**Franklin New York Tax-Ex Money/Franklin**	1/86	5.4	94	60	500	0.57p
55	**Franklin Tax-Exempt Money Fund/Franklin**	2/82	5.7	223	23	500	0.79
35	**Freedom Tax-Exempt Money/Freedom**	12/82	5.3	237	17	1,000	0.60
14	**General Calif Muni MM/Dreyfus**	3/87	5.8	245	239	2,500	0.76
55	**General NY Muni MM/Dreyfus**	12/86	5.5	323	364	2,500	0.75p
37	**General Tax-Exempt MM/Dreyfus**	12/83	5.5	363	5	2,500	0.64
51	**HT Insight–Tax-Free MM Fund/TBC**	2/88	5.4	121	16	1,000	*0.43p*
70	**IDS Tax-Free Money Fund/IDS**	8/80	5.3	129	17	2,000	0.67p
37	**Kemper MM–Tax-Ex/Kemper**	9/87	5.7	676	37	1,000	0.42
30	**Kidder, Peabody Calif T-E MM/Kidder**	8/87	5.1	246	21	1,500	*0.66*
57	**Kidder, Peabody Tax-Exempt MM/Kidder**	7/83	5.5	749	8	1,500	*0.68*
49	**Landmark NY T-F Reserves/Landmark**	1/85	5.2	562	60	1,000	*0.66*
52	**Landmark Tax-Free Reserves/Landmark**	1/84	5.5	144	13	1,000	*0.65*
23	**Legg Mason Tax-Exempt Trust/Legg Mason**	7/83	5.3	161	11	1,000	*0.71*
22	**Michigan Daily Tax-Free Inc/Reich & Tang**	3/87	5.9	88	85	5,000	*0.20p*
93	**Midwest Group T-F–Ohio MM/MGF**	9/87	5.5	124	58	1,000	*0.75*
43	**Neuberger & Berman Muni MM/Neuberger**	12/84	5.5	161	–4	2,000	0.64p
22	**Nuveen California Tax-Free–MM/Nuveen**	3/86	5.4	453	25	5,000	*0.55p*
48	**Nuveen Tax-Exempt MM/Nuveen**	4/81	5.8	1,815	5	25,000	0.40
46	**Nuveen Tax-Free MM–Mass/Nuveen**	12/86	5.6	62	52	5,000	*0.55p*
39	**Nuveen Tax-Free MM–New York/Nuveen**	12/86	5.3	41	31	5,000	*0.55p*
31	**Nuveen Tax-Free Reserves/Nuveen**	11/82	5.6	392	4	1,000	*0.73*
54	**AT Ohio Tax-Free Money Fund/Federated**	7/85	5.4	286	16	25,000	0.65
41	**Overland Express Tax Free MM/Overland**	4/88	5.3	283	28	1,000	0.66
77	**PaineWebber RMA–CA Muni Money/PaineWebber**	11/88	5.1	254	42	†	*0.67p*

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. †Part of integrated financial account. p: Net of partial absorption of expenses by fund sponsor. ¹Formerly Fidelity Pennsylvania Tax-Free Money Market.

Distributor table, page 248. Rules, page 176.

Portfolio average maturity days	Fund/distributor	Date started	Last 12 months	Total assets		Minimum initial investment	Annual expenses per $100
			return from income dividends	6/30/90 ($mil)	% change '90 vs '89		
	Forbes taxable money fund composite		7.9%				$0.68
	Forbes tax-free money fund composite		5.4%				$0.64
78	**PaineWebber RMA–NY Muni Money/PaineWebber**	11/88	5.2%	$95	79%	†	*$0.37p*
64	**PaineWebber RMA–Tax-Free/PaineWebber**	10/82	5.3	1,098	20	†	*0.67*
46	**Parkstone Tax-Free/Winsbury**	7/87	5.6	142	18	$1,000	0.63p
NA	**Pierpont Tax-Exempt MM/TBC**	9/83	5.6	897	17	25,000	0.56
67	**Piper Jaffray Tax-Exempt MM/Piper**	7/88	5.5	109	36	250	*0.91*
11	**T Rowe Price Calif T-F Inc–Money/Price**	9/86	4.9	84	–1	2,500	0.78
30	**T Rowe Price New York T-F Money/Price**	8/86	4.9	50	7	2,500	0.80p
18	**T Rowe Price Tax-Exempt Money/Price**	4/81	5.4	980	–11	2,500	0.59
71	**Pru-Bache Muni–New York MM/Pru-Bache**	4/85	4.6	210	22	1,000	*0.75*
63	**Pru-Bache Tax-Free Money Fund/Pru-Bache**	8/79	5.4	690	4	1,000	*0.75*
26	**Putnam California Tax-Ex MM/Putnam**	10/87	5.4	75	10	1,000	*0.69p*
65	**Putnam New York Tax-Ex MM/Putnam**	10/87	5.1	66	50	1,000	*0.67p*
48	**Putnam Tax-Exempt MM/Putnam**	10/87	5.6	101	20	1,000	*0.69p*
63	**Reserve New York Tax-Ex–NY/Resrv**	11/83	5.0	107	11	1,000	*0.95*
57	**Reserve Tax-Exempt–Connecticut/Resrv**	5/85	5.1	309	25	1,000	*0.80p*
53	**Reserve Tax-Exempt–Interstate/Resrv**	11/83	5.4	346	5	1,000	*0.99*
31	**Rodney Square Tax-Exempt/Rodney**	2/86	5.5	220	–20	1,000	*0.57*
30	**Scudder California Tax-Free Money/Scudder**	6/87	5.0	61	–6	1,000	0.75
36	**Scudder Fund–Managed Tax-Free/Scudder**	10/82	5.4	130	34	2,500	*0.76*
42	**Scudder NY Tax-Free Money Fund/Scudder**	6/87	5.0	36	–7	1,000	0.60p
54	**Scudder Tax-Free Money Fund/Scudder**	1/80	5.4	272	–15	1,000	0.72
26	**SLH Calif Daily Tax-Free/Shearson**	11/85	5.3	684	20	2,500	0.58
64	**SLH Daily Tax-Free Dividend/Shearson**	10/82	5.6	2,858	–1	2,500	0.63
50	**SLH NY Daily Tax-Free/Shearson**	11/85	5.2	450	21	2,500	0.59
36	**SteinRoe Tax-Exempt Money/Stein Roe**	3/83	5.4	256	1	1,000	0.67
68	**Strong Tax-Free Money Market/Strong**	10/86	5.8	109	43	2,500	0.90
19	**Tax-Exempt California MM/Kemper**	6/87	5.1	235	6	1,000	*0.63*
42	**Tax-Free Instruments Trust/Federated**	12/82	5.6	1,143	–18	500	0.55p
52	**Tax-Free Money Fund/Smith Barney**	4/81	5.5	1,191	11	7,500	0.53
59	**USAA Tax-Exempt Fund–MM/USAA**	2/84	6.0	1,069	43	3,000	0.42
60	**UST Master Tax-Exempt–S-T/UST Secs**	5/85	5.6	537	9	1,000	0.55
31	**Vanguard California T-F–MM/Vanguard**	6/87	5.4	639	51	3,000	0.22
55	**Vanguard Muni Bond–MM/Vanguard**	6/80	5.8	2,386	21	3,000	0.27
66	**Vanguard NJ Tax-Free–MM/Vanguard**	2/88	5.9	381	85	3,000	0.22
39	**Vanguard Penn Tax-Free–MM/Vanguard**	6/88	5.9	618	85	3,000	0.22

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force. †Part of integrated financial account. p: Net of partial absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 248. Rules, page 176.

Fund distributors

The firms that market mutual funds are listed below. A fund without a distributor is listed under the name of the fund itself. Contact the distributor to get the prospectus, the most recent shareholder report and additional information. Your stockbroker may have literature on funds with sales loads. Closed-end funds trade like stocks and do not have distributors. The key below lists fund types. Page 176 describes our selection process and methods.

Distributor	Type of fund
AAL Mutual Funds 222 West College Avenue Appleton, WI 54919-0007 (414) 734-7633 (local); (800) 553-6319	
AAL Capital Growth Fund	ST
AAL Income Fund	BD
ABT Financial Services 205 Royal Palm Way Palm Beach, FL 33480 (800) 289-2281	
ABT Growth & Income Trust	ST
ABT Invest–Emerging Growth	ST
ABT Invest–Security Income	ST
ABT Utility Income Fund	ST
Accrued Equities 295 Northern Boulevard Great Neck, NY 11021 (516) 466-0808*	
New Alternatives Fund	ST
Acorn Fund 2 North LaSalle Street Suite 500 Chicago, IL 60602-3790 (312) 621-0630* (local); (800) 922-6769	
Acorn Fund	ST
Adtek Fund 4920 West Vliet Street Milwaukee, WI 53208 (414) 257-1842	
Adtek Fund	BA
Advest Group 280 Trumbull Street Hartford, CT 06103 (800) 842-3807 (local); (800) 243-8115	
Advantage Government Securities	BD
Advantage Growth Fund	ST
Advantage Income Fund	BA
AFA Distributors 50 Broad Street New York, NY 10004 (212) 482-8100*	
National Aviation & Technology	ST
National Telecom & Technology	ST

ST	**Stock fund**
BA	**Balanced fund**
FO	**Foreign fund**
BD	**Bond & preferred fund**
MU	**Municipal bond fund**
MM	**Money market fund**

Distributor	Type of fund
Afuture Fund 617 Willowbrook Lane West Chester, PA 19382 (800) 523-7594	
Afuture Fund	ST
AIM Distributors 11 Greenway Plaza Suite 1919 Houston, TX 77046 (800) 347-1919	
Aim Convertible Securities	BA
Aim Equity–Charter Fund	ST
Aim Equity–Constellation Fund	ST
Aim Equity–Weingarten Equity Fund	ST
Aim High Yield Securities	BD
Aim Summit Fund	ST
Fred Alger & Co 75 Maiden Lane New York, NY 10038 (800) 992-3863	
Alger Fund–Growth	ST
Alger Fund–Small Capitalization	ST
Alliance Fund Services 500 Plaza Drive Secaucus, NJ 07094 (201) 319-4000* (local); (800) 221-5672	
Alliance Balanced Shares	BA
Alliance Bond–High Yield	BD
Alliance Bond–Monthly Income Shs	BD
Alliance Bond–US Government	BD
Alliance Capital Reserves	MM
Alliance Convertible Fund	BA
Alliance Counterpoint Fund	ST
Alliance Fund	ST
Alliance Global–Canadian Fund	FO
Alliance Government Reserves	MM
Alliance Growth & Income	ST
Alliance International Fund	FO
Alliance Money Reserves	MM
Alliance Mortgage Securities Income	BD
Alliance Muni Income–Calif	MU
Alliance Muni Income–Ins Calif	MU
Alliance Muni Income–Ins Natl	MU
Alliance Muni Income–National	MU
Alliance Muni Income–NY	MU
Alliance Quasar Fund	ST
Alliance S-T Multi-Market Trust	FO
Alliance Tax-Exempt Res–Calif	MM
Alliance Tax-Exempt Res–General	MM
Alliance Tax Exempt Res–New York	MM
Alliance Technology Fund	ST
Surveyor Fund	ST
AMA Advisers PO Box 1111 Blue Bell, PA 19422 (215) 825-0400* (local); (800) 523-0864	
AMA Family of Funds–Classic Growth	ST
AMA Family of Funds–Global Growth	FO
AMA Family of Funds–Growth + Inc	ST
AMA Family of Funds–US Govt Inc +	BD

Distributor	Type of fund
American Capital Marketing 2800 Post Oak Boulevard Houston, TX 77056 (800) 421-5666	
American Capital Comstock Fund	ST
American Capital Corp Bond Fund	BD
American Capital Enterprise Fund	ST
American Capital Equity Income	BA
American Capital Government Secs	BD
American Capital Harbor Fund	BA
American Capital High Yield Inv	BD
American Capital Muni Bond Fund	MU
American Capital Pace Fund	ST
American Capital Tax-Ex--Hi Yld	MU
American Capital Venture Fund	ST
Fund of America	ST
American Funds Group 135 South State College Boulevard Brea, CA 92621 (714) 671-7000* (local); (800) 421-9900	
Amcap Fund	ST
American Balanced Fund	BA
American Income-US Govt Guar	BD
American Funds Tax-Exempt I--Md	MU
American Funds Tax-Exempt I–Va	MU
American Funds Tax-Exempt II–Calif	MU
American High-Income Trust	BD
American Mutual Fund	ST
Bond Fund of America	BD
Capital Income Builder	ST
Capital World Bond Fund	FO
Cash Management Trust of America	MM
EuroPacific Growth Fund	FO
Fundamental Investors	ST
Growth Fund of America	ST
Income Fund of America	BA
Intermediate Bond Fund of America	BD
Investment Co of America	ST
New Economy Fund	ST
New Perspective Fund	ST
Tax-Exempt Bond Fund of America	MU
Washington Mutual Investors	ST
American Growth Fund Sponsors 410 17th Street Suite 800 Denver, CO 80202 (303) 623-6137* (local); (800) 525-2406	
American Growth Fund	ST
American Investors PO Box 2500 Greenwich, CT 06836 (203) 531-5000* (local); (800) 243-5353	
American Investors Growth Fund	ST
American Pension Distributors PO Box 2529 Lynchburg, VA 24501 (800) 533-4115 (local); (800) 541-6060	
API Trust–Growth	ST

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*Will accept collect calls

[redacted]

Distributor	Type of fund
AMEV Investors PO Box 64284 St Paul, MN 55164 (612) 738-4000* (local); (800) 800-2638	
AMEV Advantage–Asset Allocation	BA
AMEV Advantage–Capital Apprec	ST
AMEV Capital Fund	ST
AMEV Fiduciary Fund	ST
AMEV Growth Fund	ST
AMEV Tax-Free Fund–Minnesota	MU
AMEV US Govt Securities Fund	BD
Amway Management Co 7575 East Fulton Road Ada, MI 49355 (800) 346-2670	
Amway Mutual Fund	ST
Analytic Optioned Equity Fund 2222 Martin Street Suite 230 Irvine, CA 92715 (714) 833-0294*	
Analytic Optioned Equity Fund	ST
Angeles Securities 10301 West Pico Boulevard Los Angeles, CA 90064 (213) 277-4900* (local); (800) 421-4374	
FPA Capital Fund	ST
FPA New Income Fund	BD
FPA Paramount Fund	ST
FPA Perennial Fund	ST
Aquila Distributors 200 Park Avenue Suite 4515 New York, NY 10017 (212) 697-6666* (local); (800) 228-4227	
Churchill Tax-Free Fund of Kentucky	MU
Hawaiian Tax-Free Trust	MU
Tax-Free Fund of Colorado	MU
Tax-Free Trust of Arizona	MU
Tax-Free Trust of Oregon	MU
Armstrong Associates 1445 Ross Avenue LB 212 Dallas, TX 75202 (214) 720-9101	
Armstrong Associates	ST
Associated Planners Security 1925 Century Park East Suite 1900 Los Angeles, CA 90067 (213) 553-6740* (local); (800) 950-2748	
Associated Planners Stock Fund	ST
Axe Securities Corp 400 Benedict Avenue Tarrytown, NY 10591 (914) 333-5200* (local); (800) 669-0333	
Axe-Houghton Fund B	BA
Axe-Houghton Income Fund	BD
Axe-Houghton Stock Fund	ST

Distributor	Type of fund
Bailard, Biehl & Kaiser 2755 Campus Drive Suite 300 San Mateo, CA 94403 (415) 571-5800* (local); (800) 882-8383	
Bailard Biehl & Kaiser Diversa Fund	BA
Robert W Baird & Co 777 East Wisconsin Avenue Milwaukee, WI 53202 (414) 765-3500* (local); (800) 792-2473	
Baird Blue Chip Fund	ST
Baird Capital Development Fund	ST
Baron Asset Fund 450 Park Avenue New York, NY 10022 (212) 759-7700 (local); (800) 992-2766	
Baron Asset Fund	ST
Bartlett Capital Trust 36 East Fourth Street Cincinnati, OH 45202 (800) 327-4363 (local); (800) 543-0863	
Bartlett Capital Trust–Basic Value	ST
Bartlett Capital Trust–Fixed Income	BD
Baxter Financial 1200 North Federal Highway Suite 424 Boca Raton, FL 33432 (407) 395-2155 (local); (800) 749-9933	
Eagle Growth Shares	ST
Philadelphia Fund	ST
Beacon Hill Mutual Fund 75 Federal Street Boston, MA 02110 (617) 482-0795	
Beacon Hill Mutual Fund	ST
Beckerman & Co 26 Broadway Suite 205 New York, NY 10004 (212) 248-8080 (local); (800) 543-2620	
44 Wall Street Equity Fund	ST
44 Wall Street Fund	ST
Benham Capital Management 1665 Charleston Road Mountain View, CA 94043 (800) 321-8321	
Benham Calif Tax-Free–High Yield	MU
Benham Calif Tax-Free–Insured	MU
Benham Calif Tax-Free–Intermediate	MU
Benham Calif Tax-Free–Long-Term	MU
Benham Calif Tax-Free–MM	MM
Benham Gold Equities Index	ST
Benham Government Inc–GNMA	BD
Benham Target Maturities–2015	BD
Benham Treasury Note Fund	BD
Capital Preservation Fund	MM
Capital Preservation Fund II	MM
Berger Associates 899 Logan Street Suite 211 Denver, CO 80203 (303) 837-1020* (local); (800) 333-1001	
Berger One Hundred Fund	ST

Distributor	Type of fund
Sanford C Bernstein & Co 767 Fifth Avenue New York, NY 10153 (212) 486-5864	
Bernstein Diversified Muni	MU
Bernstein Govt Short Duration	BD
Bernstein Intermediate Duration	BD
Bernstein New York Muni	MU
Bernstein Short Duration Plus	BD
Berwyn Fund 1189 Lancaster Avenue Berwyn, PA 19312 (215) 640-4330*	
Berwyn Fund	ST
Boston Co Funds Distributor Exchange Place One Boston Place Boston, MA 02108 (800) 225-5267	
Boston Co Capital Appreciation Fund	ST
Boston Co Inv–Asset Allocation	BA
Boston Co Inv–International	FO
Boston Co Managed Income Fund	BD
Boston Co Tax-Free Muni–Mass Money	MM
Boston Co Special Growth Fund	ST
Brandywine Fund PO Box 4166 Greenville, DE 19807 (302) 656-6200	
Brandywine Fund	ST
Bridges Investment Fund 8401 West Dodge Road Omaha, NE 68114 (402) 397-4700	
Bridges Investment Fund	ST
Clayton Brown & Associates 500 West Madison Suite 3000 Chicago, IL 60606 (312) 559-3007 (local); (800) 621-4770	
First Trust–US Government	BD
Alex Brown & Sons 135 East Baltimore Street Baltimore, MD 21202 (301) 727-1700 (local); (800) 767-3524	
Alex Brown Cash Reserve–Prime	MM
Flag Investors Emerging Growth	ST
Flag Investors International Trust	FO
Flag Investors T-F Cash Reserve Shs	MM
Flag Investors Telephone Income	ST
Flag Investors Total Return US Treas	BD
CJ Lawrence Total Return US Treas	BD
Bruce Fund 20 North Wacker Drive Suite 1425 Chicago, IL 60606 (312) 236-9160	
Bruce Fund	BA

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Fund Distributors

Distributor	Type of fund
Bull & Bear Group 11 Hanover Square New York, NY 10005 (212) 363-1100* (local); (800) 847-4200	
Bull & Bear Capital Growth Fund	ST
Bull & Bear Equity-Income Fund	ST
Bull & Bear Finl News Composite	ST
Bull & Bear Gold Investors	FO
Bull & Bear Special Equities Fund	ST
Burnham Securities 60 Broad Street 22nd Floor New York, NY 10004 (212) 483-1461	
Burnham Fund	ST
Fenimore International Fund Equity	FO
Calamos Financial Services 2001 Spring Road Suite 750 Oakbrook, IL 60521 (708) 571-7115 (local); (800) 323-9943	
Calamos Convertible Income	BA
California Investment Trust 44 Montgomery Street Suite 2200 San Francisco, CA 94104 (415) 398-2727 (local); (800) 826-8166	
California Tax-Free Income	MU
California Tax-Free MM	MM
Calvert Group 1700 Pennsylvania Avenue NW Washington, DC 20006 (301) 951-4820* (local); (800) 368-2748	
Calvert Ariel Growth Fund	ST
Calvert Fund–Capital Value	ST
Calvert Fund–Income	BD
Calvert–Washington Area Growth	ST
Calvert Social Inv–Equity	ST
Calvert Social Inv–Managed Growth	BA
Calvert Tax-Free Reserves–Limited	MU
Calvert Tax-Free Reserves–MM	MM
Capstone Asset Planning Co PO Box 3167 Houston, TX 77253-3167 (713) 750-8000 (local); (800) 262-6631	
Capstone EquityGuard Stock	ST
Capstone Intl–European Plus	FO
Cashman Farrell Value Fund	ST
Fund of the Southwest	ST
PBHG Growth Fund	ST
US Trend Fund	ST
Cardinal Group of Funds 155 East Broad Street Mezzanine Level Columbus, OH 43215 (614) 464-6852 (local); (800) 848-7734	
Cardinal Fund	ST
Cardinal Government Guaranteed	BD
Cardinal Government Securities	MM

Distributor	Type of fund
Carillon Investments PO Box 5304 Cincinnati, OH 45201 (513) 595-2600	
Carillon Inv Trust–Capital Fund	BA
Carnegie Fund Distributors 1228 Euclid Avenue Cleveland, OH 44115 (216) 781-4440* (local); (800) 321-2322	
Carnegie-Cappiello–Growth	ST
Carnegie-Cappiello–Total Return	ST
Carnegie Tax-Free Income Trust	MM
Liquid Capital Income Trust	MM
Centennial Capital Corp 3410 South Galena Street Denver, CO 80231 (800) 356-3556 (local); (800) 525-7048	
Centennial Tax-Exempt Trust	MM
Daily Cash Accumulation Fund	MM
Century Shares Trust One Liberty Square Boston, MA 02109 (617) 482-3060* (local); (800) 321-1928	
Century Shares Trust	ST
Cigna Mutual Funds 1350 Main Street Springfield, MA 01103 (413) 784-0100	
Cigna Aggressive Growth Fund	ST
Cigna Growth Fund	ST
Cigna High Yield Fund	BD
Cigna Income Fund	BD
Cigna Municipal Bond Fund	MU
Cigna Utilities	ST
Cigna Value Fund	ST
Colonial Investment Services One Financial Center Boston, MA 02111 (617) 426-3750* (local); (800) 225-2365	
Colonial Advanced Strategies Gold	BA
Colonial California Tax-Exempt	MU
Colonial Fund	BA
Colonial Government Securities Plus	BD
Colonial Growth Shares Trust	ST
Colonial High Yield Securities	BD
Colonial Income Trust	BD
Colonial International Equity Index	FO
Colonial Massachusetts Tax-Exempt	MU
Colonial New York Tax-Exempt	MU
Colonial Ohio Tax-Exempt Trust	MU
Colonial Small Stock Index Trust	ST
Colonial Strategic Inc–Diversified	ST
Colonial Strategic Inc–Income Plus	ST
Colonial Tax-Exempt Fund	MU
Colonial Tax-Exempt Insured Fund	MU
Colonial US Equity Index Trust	ST
Colonial VIP Equity–Div Return	ST
Colonial VIP Equity–Growth	ST
Colonial VIP Equity–Inflation Hedge	ST

Distributor	Type of fund
Columbia Funds Management Co PO Box 1350 Portland, OR 97207-1350 (800) 547-1707	
Columbia Daily Income Co	MM
Columbia Fixed Income Securities	BD
Columbia Growth Fund	ST
Columbia Municipal Bond Fund	MU
Columbia Special Fund	ST
Common Sense Distributors 3100 Breckinridge Boulevard Building 400 Duluth, GA 30199-0001 (404) 381-2668 (local); (800) 544-5445	
Common Sense–Government	BD
Common Sense–Growth	ST
Common Sense–Growth & Income	ST
Concord Financial Group 156 West 56th Street Suite 1902 New York, NY 10019 (212) 492-1600* (local); (800) 332-3863	
Pacific Horizon–Aggressive Growth	ST
Pacific Horizon–Calif Tax-Ex Bond	MU
Pacific Horizon–Prime	MM
Pacific Horizon–Treasury	MM
Copley Financial Services Corp PO Box 3287 Fall River, MA 02722 (508) 674-8459*	
Copley Fund	ST
Counsellors Securities 466 Lexington Avenue New York, NY 10017-3147 (212) 878-0600 (local); (800) 888-6878	
Counsellors Capital Appreciation	ST
Counsellors Emerging Growth Fund	ST
Counsellors International Equity	FO
Counsellors New York Tax-Exempt	MM
Country Capital Management Co PO Box 2222 Bloomington, IL 61701 (309) 557-3790	
Country Capital Growth Fund	ST
Country Capital Income Fund	BA
Cowen & Co Financial Square New York, NY 10005 (212) 495-6000 (local); (800) 221-5616	
Cowen Income + Growth Fund	ST
Cowen Opportunity Fund	ST
Standby Reserve Fund	MM
Craig-Hallum 701 Fourth Avenue South 10th Floor Minneapolis, MN 55415 (612) 332-1212 (local); (800) 331-4923	
General Securities	ST

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Distributor	Type of fund
Dain Bosworth 790 North Milwaukee Street Milwaukee, WI 53202 (414) 347-7276 (local); (800) 432-7856	
Heartland Group–Value Fund	ST
Dean Witter Reynolds Two World Trade Center 76th Floor New York, NY 10048 (212) 392-2500 (local); (800) 869-3863	
Active Assets Money Trust	MM
Active Assets Tax-Free Trust	MM
Dean Witter American Value Fund	ST
Dean Witter Calif Tax-Free Daily	MM
Dean Witter Calif Tax-Free Income	MU
Dean Witter Convertible Secs	BA
Dean Witter Developing Growth Secs	ST
Dean Witter Dividend Growth Secs	ST
Dean Witter Government Secs Plus	BD
Dean Witter High Yield Secs	BD
Dean Witter Intermediate Income	BD
Dean Witter Managed Assets	BA
Dean Witter Natural Resource Dev	ST
Dean Witter NY Tax-Free Income	MU
Dean Witter Option Income Trust	ST
Dean Witter/Sears Liquid Asset	MM
Dean Witter/Sears Tax-Free Daily Inc	MM
Dean Witter/Sears US Govt MM	MM
Dean Witter Strategist	BA
Dean Witter Tax-Exempt Secs	MU
Dean Witter US Govt Securities	BD
Dean Witter Utilities Fund	ST
Dean Witter Value-Added Mkt	ST
Dean Witter World Wide Investment	FO
Dean Witter Worldwide Income	FO
Delaware Distributors 10 Penn Center Plaza Philadelphia, PA 19103 (215) 988-1333 (local); (800) 523-4640	
Delaware Group Cash Reserve	MM
Delaware Group Decatur Fund–I	ST
Delaware Group Decatur Fund–II	ST
Delaware Group Delaware Fund	BA
Delaware Group DelCap Fund–I	ST
Delaware Group Delchester H-Y-I	BD
Delaware Group Govt–Govt Inc	BD
Delaware Group Tax-Free Fund–USA	MU
Delaware Group Treasury–Investors	BD
Delaware Group Trend Fund	ST
Delaware Group Value Fund	ST
DMC Tax-Free Income Trust–PA	MU
Diversified Securities PO Box 357 Long Beach, CA 90801 (213) 595-7711*	
Investors Research Fund	ST
Dividend Growth Fund 107 North Adams Street Rockville, MD 20850 (301) 251-1002* (local); (800) 638-2042	
Dividend/Growth–Dividend	ST
Dodge & Cox One Post Street 35th Floor San Francisco, CA 94104 (415) 434-0311	
Dodge & Cox Balanced Fund	BA
Dodge & Cox Stock Fund	ST
Dreyfus Service Corp 144 Glenn Curtiss Boulevard Uniondale, NY 11556-0144 (718) 895-1206 (local); (800) 782-6620	
Dreyfus A Bonds Plus	BD
Dreyfus California Tax-Exempt Bond	MU
Dreyfus California Tax-Exempt MM	MM
Dreyfus Capital Value Fund	ST
Dreyfus Convertible Securities Fund	BA
Dreyfus Fund	ST
Dreyfus GNMA Fund	BD
Dreyfus Growth Opportunity Fund	ST
Dreyfus Index Fund	ST
Dreyfus Insured Tax-Exempt Bond	MU
Dreyfus Intermediate Tax-Ex Bond	MU
Dreyfus Leverage Fund	ST
Dreyfus Liquid Assets	MM
Dreyfus Massachusetts Tax-Ex Bond	MU
Dreyfus MM Instruments–Govt Secs	MM
Dreyfus New Jersey Tax-Exempt Bond	MU
Dreyfus New Jersey Tax-Exempt MM	MM
Dreyfus New Leaders Fund	ST
Dreyfus NY Insured Tax-Exempt Bond	MU
Dreyfus NY Tax-Exempt Bond Fund	MU
Dreyfus NY Tax-Ex Intermed Bond	MU
Dreyfus NY Tax-Exempt MM	MM
Dreyfus Strategic Aggressive Inv LP	ST
Dreyfus Strategic Investing	ST
Dreyfus Strategic World Investing LP	FO
Dreyfus Tax-Exempt Bond Fund	MU
Dreyfus Tax-Exempt Money Market	MM
Dreyfus Third Century Fund	ST
Dreyfus Worldwide Dollar MM	MM
First Prairie Diversified Asset Fund	BA
First Prairie MM–Government	MM
First Prairie Tax-Exempt MM	MM
General Aggressive Growth	ST
General Calif Municipal MM	MM
General Money Market Fund	MM
General NY Municipal Bond	MU
General NY Municipal MM	MM
General Tax-Exempt Bond Fund	MU
General Tax-Exempt Money Market	MM
Premier Calif Tax-Exempt Bond	MU
Premier NY Tax-Exempt Bond	MU
Premier State Tax-Exempt Conn	MU
Premier State Tax-Exempt–Fla	MU
Premier State Tax-Exempt–Md	MU
Premier State Tax-Exempt–Mass	MU
Premier State Tax-Exempt–Mich	MU
Premier State Tax-Exempt–Minn	MU
Premier State Tax-Exempt–Ohio	MU
Premier State Tax-Exempt–Penn	MU
Premier Tax-Exempt Bond	MU
Westwood Fund	ST
Dupree Investment Advisors PO Box 1149 Lexington, KY 40589 (800) 432-9518	
Dupree–Kentucky Tax-Free Income	MU
Eaton Vance Distributors 24 Federal Street Boston, MA 02110 (617) 482-8260 (local); (800) 225-6265	
Eaton Vance California Municipals	MU
Eaton Vance Equity-Income Trust	ST
Eaton Vance Government Obligations	BD
Eaton Vance Growth Fund	ST
Eaton Vance High Income Trust	BA
Eaton Vance High Yield Municipals	MU
Eaton Vance Income Fund of Boston	BA
Eaton Vance Investors Fund	BA
Eaton Vance Special Equities Fund	ST
Eaton Vance Stock Fund	ST
Eaton Vance Total Return Trust	ST
Nautilus Fund	ST
Vance, Sanders Special Fund	ST
Eclipse Financial Services PO Box 2196 Peachtree City, GA 30269 (404) 631-0414 (local); (800) 872-2710	
Eclipse Financial Asset Trust–Equity	ST
Enterprise Fund Distributors 1200 Ashwood Parkway Suite 290 Atlanta, GA 30338 (404) 396-8118* (local); (800) 432-4320	
Enterprise Group–Capital Apprec	ST
Enterprise Group–Growth	ST
Enterprise Group–Growth & Income	ST
Enterprise Group–International Grow	FO
Enterprise Group–Precious Metals	FO

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Distributor	Type of fund
EQSF Advisers 767 Third Avenue 5th Floor New York, NY 10017 (212) 888-6685 (local); (800) 834-3400	
Equity Strategies Fund	ST
Equitable Funds 1755 Broadway Location 3D New York, NY 10019 (212) 641-8100 (local); (800) 541-2150	
Equitable Funds–Balanced Fund	BA
Equitable Funds–Growth	ST
Equitec Securities PO Box 2470 7677 Oakport Street Oakland, CA 94614 (415) 430-9900 (local); (800) 869-8007	
Equitec Siebel Aggressive Growth	ST
Equitec Siebel Total Return Fund	ST
Equitec Siebel US Government Secs	BD
Equity Services National Life Drive Montpelier, VT 05604 (802) 229-3900* (local); (800) 233-4332	
Sentinel Balanced Fund	BA
Sentinel Bond Fund	BD
Sentinel Common Stock Fund	ST
Sentinel Growth Fund	ST
Excel Advisors 16955 Via Del Campo Suite 120 San Diego, CA 92127 (619) 485-9400 (local); (800) 783-3444	
Excel Midas Gold Shares & Bullion	ST
Excel Value Fund	ST
Fairfield Group 200 Gibraltar Road Horsham, PA 19044 (800) 222-3429 (local); (800) 441-3885	
St Clair Equity–Capital Growth Fund	ST
Viking Equity Index Fund–General	ST
Fairmont Fund 1346 South Third Street Louisville, KY 40208 (502) 636-5633 (local); (800) 262-9936	
Fairmont Fund	ST
FBL Investment Advisory Svcs 5400 University Avenue West Des Moines, IA 50265 (800) 422-3175 (local); (800) 247-4170	
FBL–Growth Common Stock	ST

Distributor	Type of fund
Federated Securities Corp Federated Tower Pittsburgh, PA 15222-3779 (412) 288-1900* (local); (800) 245-2423	
American Leaders Fund	ST
Convertible Securities & Income	BA
Federated GNMA Trust	BD
Federated Growth Trust	ST
Federated High Income Securities	BD
Federated High Yield Trust	BD
Federated Income Trust	BD
Federated Intermediate Government	BD
Federated Short-Intermed Govt	BD
Federated Stock & Bond Fund	BA
Federated Stock Trust	ST
Federated Tax-Free Income Fund	MU
Federated Tax-Free Trust	MM
Fortress High Quality Stock Fund	ST
Fortress Utility Trust	ST
FT International	FO
Fund for US Govt Securities	BD
Government Income Securities	BD
Investment Series–High Quality Stk	ST
Liberty US Govt Money Market	MM
Liberty Utility Fund	ST
AT Ohio Tax-Free Money Fund	MM
Salem Funds–Growth	ST
Tax-Free Instruments Trust	MM
Tower–Capital Appreciation	ST
Fidelity Distributors Corp 82 Devonshire Street Boston, MA 02109 (617) 570-6200* (local); (800) 544-6666	
Fidelity Asset Manager	BA
Fidelity Balanced Fund	BA
Fidelity Blue Chip Growth Fund	ST
Fidelity Calif Tax-Free–Insured	MU
Fidelity Calif Tax-Free–High Yield	MU
Fidelity Calif Tax-Free–MM	MM
Fidelity Canada Fund	FO
Fidelity Capital Appreciation	ST
Fidelity Cash Reserves	MM
Fidelity Connecticut Muni–High Yld	MU
Fidelity Contrafund	ST
Fidelity Convertible Securities Fund	BA
Fidelity Daily Income Trust	MM
Fidelity Destiny Portfolio I	ST
Fidelity Destiny Portfolio II	ST
Fidelity Disciplined Equity	ST
Fidelity Equity Income Fund	ST
Fidelity Europe Fund	FO
Fidelity Flexible Bond Fund	BD
Fidelity Freedom Fund	ST
Fidelity Fund	ST
Fidelity Ginnie Mae	BD
Fidelity Global Bond Fund	FO
Fidelity Government Securities Fund	BD
Fidelity Growth & Income	ST
Fidelity Growth Company	ST
Fidelity High Income Fund	BD
Fidelity Intermediate Bond Fund	BD
Fidelity International Growth & Inc	FO
Fidelity Magellan Fund	ST

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Distributor	Type of fund
Fidelity Mass Tax-Free–High Yield	MU
Fidelity Mass Tax-Free–MM	MM
Fidelity Mortgage Securities	BD
Fidelity New Jersey T-F High Yield	MU
Fidelity New Jersey T-F–MM	MM
Fidelity NY Tax-Free–High Yield	MU
Fidelity NY Tax-Free–Insured	MU
Fidelity NY Tax-Free–Money Market	MM
Fidelity OTC Portfolio	ST
Fidelity Overseas Fund	FO
Fidelity Pacific Basin Fund	FO
Fidelity Plymouth–Growth Oppor	ST
Fidelity Plymouth–Income & Grow	ST
Fidelity Puritan Fund	BA
Fidelity Real Estate Investment	ST
Fidelity Select–Air Transportation	ST
Fidelity Select–American Gold	ST
Fidelity Select–Biotechnology	ST
Fidelity Select–Broadcast & Media	ST
Fidelity Select–Brokerage & Inv	ST
Fidelity Select–Capital Goods	ST
Fidelity Select–Chemicals	ST
Fidelity Select–Computers	ST
Fidelity Select–Electric Utilities	ST
Fidelity Select–Electronics	ST
Fidelity Select–Energy	ST
Fidelity Select–Energy Service	ST
Fidelity Select–Environment Serv	ST
Fidelity Select–Financial Services	ST
Fidelity Select–Food & Agriculture	ST
Fidelity Select–Health Care	ST
Fidelity Select–Industrial Materials	ST
Fidelity Select–Leisure	ST
Fidelity Select–Medical Delivery	ST
Fidelity Select–Money Market	MM
Fidelity Select–Paper & Forest Prod	ST
Fidelity Select–Prec Metals & Mins	ST
Fidelity Select–Prop & Casualty	ST
Fidelity Select–Regional Banks	ST
Fidelity Select–Retailing	ST
Fidelity Select–Savings & Loan	ST
Fidelity Select–Software & Computer	ST
Fidelity Select–Technology	ST
Fidelity Select–Telecommunications	ST
Fidelity Select–Utilities	ST
Fidelity Short-Term Bond	BD
Fidelity Spartan Government Fund	BD
Fidelity Spartan Limited Mat Govt	BD
Fidelity Spartan Money Market Fund	MM
Fidelity Spartan Penn Muni–MM	MM
Fidelity Spartan Penn Muni–High Yld	MU
Fidelity Special Situations–Initial	ST
Fidelity Special Situations–Plymouth	ST
Fidelity State T-F–Michigan High Yld	MU
Fidelity State T-F–Minnesota Hi Yld	MU
Fidelity State T-F–Ohio High Yield	MU
Fidelity Tax-Exempt–Money Market	MM
Fidelity Tax-Free–Aggressive	MU
Fidelity Tax-Free–High Yield	MU
Fidelity Tax-Free–Insured	MU
Fidelity Tax-Free–Ltd Term Munis	MU
Fidelity Tax-Free–Municipal Bond	MU
Fidelity Trend Fund	ST
Fidelity US Government Reserves	MM
Fidelity Utilities Income	ST
Fidelity Value Fund	ST

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Fiduciary Capital Growth Fund	ST
Reynolds Blue Chip Growth Fund	ST

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THE Vanguard GROUP OF INVESTMENT COMPANIES

Fund Distributors

Distributor	Type of fund
Financial Programs PO Box 2040 Denver, CO 80201 (303) 779-1233 (local); (800) 525-8085	
Financial Bond Shs–Select Income	**BD**
Financial Dynamics Fund	**ST**
Financial Industrial Fund	**ST**
Financial Industrial Income Fund	**ST**
Financial Strategic–Energy	**ST**
Financial Strategic–European	**FO**
Financial Strategic–Gold	**ST**
Financial Strategic–Health Science	**ST**
Financial Strategic–Leisure	**ST**
Financial Strategic–Pacific Basin	**FO**
Financial Strategic–Technology	**ST**
Financial Strategic–Utilities	**ST**
Financial Tax-Free Income Shares	**MU**
First Eagle Fund of America 45 Broadway New York, NY 10006 (212) 943-9200* (local); (800) 451-3623	
First Eagle Fund of America	**ST**
First Investors Management Co 10 Woodbridge Center Drive Woodbridge, NJ 07095 (212) 208-6000 (local); (800) 423-4026	
First Investors Blue Chip	**ST**
First Investors Fund for Income	**BD**
First Investors Global Fund	**FO**
First Investors Government Fund	**BD**
First Investors High Yield Fund	**BD**
First Investors Insured Tax-Exempt	**MU**
First Investors M-S Insured T-F–NJ	**MU**
First Investors NY Insured T-F	**MU**
Flagship Financial One First National Plaza Suite 910 Dayton, OH 45402 (800) 354-7447 (local); (800) 227-4648	
Flagship Tax-Exempt–Ariz Double	**MU**
Flagship Tax-Exempt–Conn Double	**MU**
Flagship Tax-Exempt–Ga Double	**MU**
Flagship Tax-Exempt–Kent Triple	**MU**
Flagship Tax-Exempt–Mich Triple	**MU**
Flagship Tax-Exempt–NC Triple	**MU**
Flagship Tax-Exempt–Ohio Double	**MU**
Flagship Tax-Exempt–Penn Triple	**MU**
Flagship Tax-Exempt–Tenn Double	**MU**
Flagship Tax-Exempt–Va Double	**MU**
Flex Funds PO Box 7177 Dublin, OH 43017 (614) 766-7000* (local); (800) 325-3539	
Flex-funds–Growth Fund	**ST**
Flex-funds–Muirfield Fund	**ST**
Founders Asset Management 3033 East First Avenue Suite 810 Denver, CO 80206 (303) 394-4404 (local); (800) 525-2440	
Founders Blue Chip	**ST**
Founders Equity Income Fund	**ST**
Founders Frontier Fund	**ST**
Founders Growth Fund	**ST**
Founders Special Fund	**ST**
Frank Russell Company 909 A Street 6th Floor Tacoma, WA 98402 (800) 235-4331	
Laurel Fund–Stock	**ST**
Franklin Distributors 777 Mariner's Island Boulevard 6th Floor San Mateo, CA 94404-1585 (800) 342-5236 (local); (800) 632-2180	
Franklin Adjustable US Govt Secs	**BD**
Franklin AGE High Income Fund	**BD**
Franklin Alabama Tax-Free Income	**MU**
Franklin Arizona Tax-Free Income	**MU**
Franklin Calif Insured Tax-Free Inc	**MU**
Franklin Calif Tax-Exempt Money	**MM**
Franklin Calif Tax-Free Income	**MU**
Franklin Colorado Tax-Free Income	**MU**
Franklin Connecticut Tax-Free Inc	**MU**
Franklin Convertible Securities Fund	**BA**
Franklin DynaTech Fund	**ST**
Franklin Equity Fund	**ST**
Franklin Federal Tax-Free Income	**MU**
Franklin Florida Tax-Free Income	**MU**
Franklin Gold Fund	**FO**
Franklin Growth Fund	**ST**
Franklin High Yield Tax-Free Income	**MU**
Franklin Income Fund	**BA**
Franklin Insured Tax-Free Income	**MU**
Franklin Managed Rising Dividends	**ST**
Franklin Mass Insured Tax-Free Inc	**MU**
Franklin Mich Insured Tax-Free Inc	**MU**
Franklin Minn Insured Tax-Free Inc	**MU**
Franklin Missouri Tax Free Income	**MU**
Franklin Money Fund	**MM**
Franklin New Jersey Tax-Free Income	**MU**
Franklin New York Tax-Ex Money	**MM**
Franklin New York Tax-Free Income	**MU**
Franklin North Carolina Tax-Free Inc	**MU**
Franklin Ohio Insured Tax-Free Inc	**MU**
Franklin Option Fund	**ST**
Franklin Oregon Tax-Free Income	**MU**
Franklin Pennsylvania Tax-Free Inc	**MU**
Franklin PR Tax-Free Income Fund	**MU**
Franklin Special Equity Income	**ST**
Franklin Tax-Exempt Money Fund	**MM**
Franklin US Government Securities	**BD**
Franklin Utilities Fund	**ST**
Franklin Virginia Tax-Free Income	**MU**
Freedom Capital Management Corp One Beacon Street 4th Floor Boston, MA 02108 (800) 392-6037 (local); (800) 225-6258	
Freedom Cash Management	**MM**
Freedom Inv–Equity Value	**ST**
Freedom Inv–Gold & Government	**ST**
Freedom Inv–Government Income	**BD**
Freedom Inv–Managed Tax-Exempt	**MU**
Freedom Inv–Regional Bank	**ST**
Freedom Inv II–Global Fund	**FO**
Freedom Inv II–Global Income	**FO**
Freedom Tax-Exempt Money	**MM**
Tocqueville Fund	**ST**
Fundamental Services 111 Broadway Suite 1107 New York, NY 10006 (212) 608-6864* (local); (800) 225-6864	
New York Muni Fund	**MU**
Furman Selz Mager Dietz & Birney 230 Park Avenue New York, NY 10169 (212) 309-8400* (local); (800) 845-8406	
FFB Funds–Cash Management	**MM**
FFB Funds–Tax-Free Money Market	**MM**
Olympus Equity Plus Fund	**ST**
Olympus Premium Income	**ST**
Olympus Tax-Exempt California	**MU**
Gabelli & Company PO Box 1634 Grand Central Station New York, NY 10163 (212) 490-3670 (local); (800) 422-3554	
Gabelli Asset Fund	**ST**
Gabelli Growth Fund	**ST**
GAM Funds 135 East 57th Street New York, NY 10022 (212) 888-4200* (local); (800) 327-6143	
GAM Global Fund	**FO**
GAM International Fund	**FO**
GAM Pacific Basin Fund	**FO**
Gateway Investment Advisers PO Box 458167 Cincinnati, OH 45245 (513) 248-2700* (local); (800) 354-6339	
Gateway Growth Plus Fund	**ST**
Gateway Index Plus Fund	**ST**
Gintel & Co 6 Greenwich Office Park Greenwich, CT 06831 (203) 622-6400 (local); (800) 243-5808	
Gintel Capital Appreciation Fund	**ST**
Gintel Erisa Fund	**ST**
Gintel Fund	**ST**
GIT Investment Services 1655 North Fort Myer Drive Arlington, VA 22209 (703) 528-6500 (local); (800) 336-3063	
GIT Equity Trust–Special Growth	**ST**
Gradison & Co 580 Walnut Street Cincinnati, OH 45202 (800) 869-5999 (local); (800) 869-5666	
Gradison Cash Reserves Trust	**MM**
Gradison Established Growth Fund	**ST**
Gradison Opportunity Growth Fund	**ST**
Greenspring Fund Suite 322, The Quadrangle Village of Cross Keys Baltimore, MD 21210 (301) 435-9000*	
Greenspring Fund	**ST**

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Distributor	Type of fund
Growth Industry Shares 135 South LaSalle Street Chicago, IL 60603 (312) 346-4830 (local); (800) 635-2886	
Growth Industry Shares	ST
GT Global Financial Services 50 California Street 27th Floor San Francisco, CA 94111-4624 (415) 392-6181* (local); (800) 824-1580	
GT Global Growth–America	ST
GT Global Growth–Europe	FO
GT Global Growth–Intl	FO
GT Global Growth–Japan	FO
GT Global Growth–Pacific	FO
GT Global Growth–Worldwide	FO
GT Investment–Global Bond	FO
GT Investment–Global Govt Income	BD
Guardian Investor Services Corp 201 Park Avenue South New York, NY 10003 (800) 221-3253	
Guardian Park Ave Fund	ST
John Hancock Advisors 101 Huntington Avenue 10th Floor Boston, MA 02199 (617) 375-1800 (local); (800) 225-5291	
John Hancock Bond Trust	BD
John Hancock Global Trust	FO
John Hancock Growth Trust	ST
John Hancock Special Equities Trust	ST
John Hancock Tax-Exempt Income	MU
John Hancock US Govt Guar Mort	BD
John Hancock US Govt Securities	BD
John Hancock World–Pac Basin Eq	FO
Hartwell Funds 230 Park Avenue 13th Floor New York, NY 10169 (212) 309-8400* (local); (800) 624-3863	
Hartwell Emerging Growth	ST
Hartwell Growth Fund	ST
HCA Securities One SeaGate Toledo, OH 43666 (419) 247-2477 (local); (800) 422-1050	
Harbor Capital Appreciation	ST
Harbor Growth Fund	ST
Harbor International	FO
Harbor Value	ST
Heine Management Group PO Box 830 Westport, CT 06881 (800) 522-2564 (local); (800) 422-2564	
LMH Fund	ST
Heine Securities 51 John F Kennedy Parkway Short Hills, NJ 07078 (201) 912-2100* (local); (800) 448-3863	
Mutual Series Fund–Beacon	ST
Mutual Series Fund–Mutual Shares	ST
Mutual Series Fund–Qualified	ST
Heritage Asset Management 880 Carillon Parkway St Petersburg, FL 33716 (813) 573-8143 (local); (800) 421-4184	
Heritage Capital Appreciation	ST
Heritage Cash Trust	MM
Heritage Income–Growth Trust	BA
Wayne Hummer & Co 175 West Jackson Boulevard Chicago, IL 60604 (800) 972-5566 (local); (800) 621-4477	
Wayne Hummer Growth Fund	ST
Huntington Investments 251 South Lake Avenue Suite 600 Pasadena, CA 91101 (818) 440-9688* (local); (800) 232-3310	
Huntington CPI+ Fund	BA
International Cash–Global	FO
IAI Funds PO Box 357 Minneapolis, MN 55440 (612) 371-2884	
IAI Apollo	ST
IAI Bond Fund	BD
IAI International Fund	FO
IAI Regional Fund	ST
IAI Stock Fund	ST
Idex Management PO Box 9015 Clearwater, FL 34618 (813) 585-6565 (local); (800) 237-3055	
IDEX Fund	ST
IDEX II	ST
IDEX Fund 3	ST
IDS Financial Services IDS Tower 10 Minneapolis, MN 55440 (612) 372-3733 (local); (800) 328-8300	
IDS Bond Fund	BD
IDS California Tax-Exempt Fund	MU
IDS Cash Management Fund	MM
IDS Discovery Fund	ST
IDS Equity Plus	ST
IDS Extra Income Fund	BD
IDS Federal Income Fund	BD
IDS Growth Fund	ST
IDS High Yield Tax-Exempt Fund	MU
IDS Insured Tax-Exempt Fund	MU
IDS International Fund	FO
IDS Managed Retirement Fund	ST
IDS Michigan Tax-Exempt Fund	MU
IDS Minnesota Tax-Exempt Fund	MU
IDS Mutual	BA
IDS New Dimensions Fund	ST
IDS New York Tax-Exempt Fund	MU
IDS Precious Metals Fund	FO
IDS Progressive Fund	ST
IDS Selective Fund	BD
IDS Stock Fund	ST
IDS Strategy–Aggressive Equity	ST
IDS Strategy–Equity	ST
IDS Strategy–Income	BD
IDS Strategy–Pan Pacific Growth	FO
IDS Tax-Exempt Bond Fund	MU
IDS Tax-Free Money Fund	MM
IDS Utilities Income	ST
Investment Trust of Boston 399 Boylston Street Boston, MA 02117 (617) 578-1388* (local); (800) 888-4823	
Inv Trust of Boston–Growth Opport	ST
Inv Trust of Boston–Mass T-F	MU
Investors Security Co 110 Bank Street Suffolk, VA 23434 (804) 539-2396*	
Old Dominion Investors' Trust	ST
Ivy Fund 40 Industrial Park Road Hingham, MA 02043 (617) 749-1416 (local); (800) 235-3322	
Ivy Growth Fund	ST
Ivy Growth with Income Fund	ST
Ivy International Fund	FO
Janus Capital 100 Fillmore Street Suite 300 Denver, CO 80206 (800) 525-3713	
Janus Fund	ST
Janus Twenty Fund	ST
Janus Venture Fund	ST
Jefferson-Pilot Investor Services PO Box 22086 Greensboro, NC 27420 (919) 691-3453 (local); (800) 458-4498	
JP Growth Fund	ST
Jones & Babson 2440 Pershing Road Kansas City, MO 64108 (816) 471-5200* (local); (800) 422-2766	
Babson Bond Trust–Long-Term	BD
Babson Enterprise Fund	ST
Babson Growth Fund	ST
Babson-Stewart Ivory International	FO
Babson Value Fund	ST
Shadow Stock Fund	ST
UMB Bond Fund	BD
UMB Stock Fund	ST

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Fund Distributors

Distributor	Type of fund
Edward D Jones & Co 201 Progress Parkway Maryland Heights, MO 63043 (314) 851-2000*	
ED Jones Daily Passport Cash Trust	**MM**
Kaufmann Fund 17 Battery Place Suite 2624 New York, NY 10004 (212) 344-2661 (local); (800) 237-0132	
Kaufmann Fund	**ST**
Keffer Capital Management 465 Congress Street Portland, ME 04101 (207) 879-1900	
Warburg International Fund	**FO**
Kemper Financial Services 120 South LaSalle Street Chicago, IL 60603 (312) 781-1121* (local); (800) 621-1048	
Cash Equivalent Fund–Govt	**MM**
Cash Equivalent Fund–MM	**MM**
Cash Equivalent Fund–T-E MM	**MM**
Investment Portfolios–Divers Inc	**BD**
Investment Portfolios–Equity	**ST**
Investment Portfolios–Govt	**BD**
Investment Portfolios–High Yield	**BD**
Investment Portfolios–Total Return	**BA**
Kemper Blue Chip Fund	**ST**
Kemper California Tax-Free Income	**MU**
Kemper Diversified Income Fund	**BD**
Kemper Gold Fund	**ST**
Kemper Growth Fund	**ST**
Kemper High Yield Fund	**BD**
Kemper Income & Capital Preserv	**BD**
Kemper International Fund	**FO**
Kemper Money Market–Govt Secs	**MM**
Kemper Money Market–MM	**MM**
Kemper Money Market–Tax-Exempt	**MM**
Kemper Municipal Bond Fund	**MU**
Kemper New York Tax-Free Fund	**MU**
Kemper Summit Fund	**ST**
Kemper Technology Fund	**ST**
Kemper Total Return Fund	**BA**
Kemper US Government Securities	**BD**
Tax-Exempt California MM	**MM**
Keystone Distributors 99 High Street Boston, MA 02110 (617) 338-3200 (local); (800) 343-2898	
Keystone America Equity Income	**ST**
Keystone America Fund of Grow Stk	**ST**
Keystone America Omega	**ST**
Keystone America Tax-Free Income	**MU**
Keystone Custodian B-1	**BD**
Keystone Custodian B-2	**BD**
Keystone Custodian B-4	**BD**
Keystone Custodian K-1	**BA**
Keystone Custodian K-2	**ST**
Keystone Custodian S-1	**ST**
Keystone Custodian S-3	**ST**
Keystone Custodian S-4	**ST**
Keystone International Fund	**FO**
Keystone Precious Metals	**FO**
Keystone Tax-Exempt Trust	**MU**
Keystone Tax-Free Fund	**MU**
Kidder, Peabody & Co 20 Exchange Place New York, NY 10005 (212) 510-5351*	
Kidder, Peabody California T-E MM	**MM**
Kidder, Peabody Equity Income	**ST**
Kidder, Peabody Government Income	**BD**
Kidder, Peabody Premium Account	**MM**
Kidder, Peabody Special Growth Fund	**ST**
Kidder, Peabody Tax-Exempt MM	**MM**
Kidder, Peabody MarketGuard I	**ST**
Webster Cash Reserve Fund	**MM**
Kleinwort Benson 200 Park Avenue 24th Floor New York, NY 10166 (212) 687-2515 (local); (800) 237-4218	
Kleinwort Benson–Intl Equity	**FO**
Landmark Funds Broker Dealer Services 6 St James Avenue 9th Floor Boston, MA 02116 (617) 423-1679* (local); (800) 223-4447	
Landmark Capital Growth Fund	**ST**
Landmark Growth & Income Fund	**ST**
Landmark New York T-F Income	**MU**
Landmark New York T-F Reserves	**MM**
Landmark Tax-Free Reserves	**MM**
Legg Mason Wood Walker 111 South Calvert Street 21st Floor Baltimore, MD 21202 (301) 539-3400 (local); (800) 822-5544	
Legg Mason Cash Reserve Trust	**MM**
Legg Mason Special Investment Trust	**ST**
Legg Mason Tax-Exempt Trust	**MM**
Legg Mason Total Return Trust	**ST**
Legg Mason Value Trust	**ST**
Lepercq-Istel Trust 1675 Broadway 16th Floor New York, NY 10019 (212) 698-0700	
Lepercq-Istel Fund	**ST**
Lexington Management Corp PO Box 1515 Park 80 West Plaza II Saddle Brook, NJ 07662 (201) 845-7300* (local); (800) 526-0057	
Lexington Corp Leaders Trust Fund	**ST**
Lexington Global Fund	**FO**
Lexington GNMA Income Fund	**BD**
Lexington Goldfund	**ST**
Lexington Growth Fund	**ST**
Lexington Research Fund	**ST**
Lexington Technical Strategy Fund	**ST**
Liberty Securities 600 Atlantic Avenue Boston, MA 02210-2214 (800) 542-3863	
Liberty Advantage US Govt Secs	**BD**
Lieber & Co 2500 Westchester Avenue Purchase, NY 10577 (914) 694-2020* (local); (800) 235-0064	
Evergreen American Retirement	**ST**
Evergreen Fund	**ST**
Evergreen Global Real Estate	**ST**
Evergreen Limited Market Fund	**ST**
Evergreen Tax Exempt MM	**MM**
Evergreen Tax Exempt MM–Calif	**MM**
Evergreen Total Return Fund	**ST**
Evergreen Value Timing Fund	**ST**
Lincoln Investment Planning 218 Glenside Avenue Wyncote, PA 19095-1595 (800) 242-1421	
Rightime Fund	**ST**
Rightime Fund Blue Chip	**ST**
Rightime Fund Growth	**ST**
Lindner Management Corp PO Box 11208 St Louis, MO 63105 (314) 727-5305	
Lindner Dividend Fund	**ST**
Lindner Fund	**ST**
Lord Abbett & Co 767 Fifth Avenue 11th Floor New York, NY 10153-0203 (800) 821-5129 (local); (800) 223-4224	
Affiliated Fund	**ST**
Lord Abbett Bond-Debenture Fund	**BD**
Lord Abbett California Tax-Free Inc	**MU**
Lord Abbett Developing Growth	**ST**
Lord Abbett Fundamental Value	**ST**
Lord Abbett Global Fund–Equity	**FO**
Lord Abbett Tax-Free–National	**MU**
Lord Abbett Tax-Free–New York	**MU**
Lord Abbett Tax-Free–Texas	**MU**
Lord Abbett US Government Secs	**BD**
Lord Abbett Value Appreciation	**ST**
Lutheran Brotherhood Securities 625 Fourth Avenue South Minneapolis, MN 55415 (800) 752-4208 (local); (800) 328-4552	
Lutheran Brotherhood Fund	**ST**
Lutheran Brotherhood High Yield	**BD**
Lutheran Brotherhood Income Fund	**BD**
Lutheran Brotherhood Muni Bond	**MU**
Mackenzie Investment Management PO Box 5007 Boca Raton, FL 33431 (800) 456-5111	
Mackenzie American Fund	**ST**
Mackenzie Canada Fund	**FO**
Mackenzie Growth and Income Fund	**BA**
Mackenzie No Amer Total Return	**BA**
Madison Investment Advisors 6411 Mineral Point Road Madison, WI 53705 (608) 273-2020* (local); (800) 767-0300	
Bascom Hill Balanced Fund	**BA**
Bascom Hill Investors	**ST**

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Distributor	Type of fund
Mairs & Power West-2062 First National Bank Building St Paul, MN 55101 (612) 222-8478	
Mairs & Power Growth Fund	ST
Mairs & Power Income Fund	ST
Horace Mann Growth Fund PO Box 4657 Springfield, IL 62708-4657 (217) 789-2500 (local); (800) 999-1030	
Horace Mann Growth Fund	ST
Massachusetts Financial Services PO Box 2281 Boston, MA 02107 (617) 954-5000* (local); (800) 225-2606	
Mass Capital Development Fund	ST
Mass Cash Management–Prime	MM
Mass Financial Bond Fund	BD
Mass Financial Development Fund	ST
Mass Financial Emerging Growth	ST
Mass Financial High Income–Series I	BD
Mass Financial International-Bond	FO
Mass Financial Special Fund	ST
Mass Financial Total Return Trust	BA
Mass Investors Growth Stock Fund	ST
Mass Investors Trust	ST
MFS Government Guaranteed Secs	BD
MFS Government Income Plus	BD
MFS Government Premium Account	BD
MFS Lifetime Capital Growth Trust	ST
MFS Lifetime Emerging Growth	ST
MFS Lifetime Global Equity Trust	FO
MFS LIfetime Gold & Prec Met	FO
MFS Lifetime Government Inc Plus	BD
MFS Lifetime High Income Trust	BD
MFS Lifetime Managed Muni Bond	MU
MFS Lifetime Managed Sectors Trust	ST
MFS Lifetime Total Return Trust	ST
MFS Managed California Muni Bond	MU
MFS Managed High Yield Muni Bond	MU
MFS Managed M-S Tax-Ex–Md	MU
MFS Managed M-S Tax-Ex–Mass	MU
MFS Managed M-S Tax-Ex–NY	MU
MFS Managed M-S Tax-Ex–NC	MU
MFS Managed M-S Tax-Ex–SC	MU
MFS Managed M-S Tax-Ex–Tenn	MU
MFS Managed M-S Tax-Ex–Va	MU
MFS Managed M-S Tax-Ex–W Va	MU
MFS Managed Muni Bond Trust	MU
MFS Managed Sectors Trust	ST
Mathematical Investment System 4500 Rockside Road Suite 440 Cleveland, OH 44131-6809 (216) 642-3000 (local); (800) 233-1240	
MIM Stock Convert & Option Growth	ST
MIM Stock Convert & Option Income	ST
Mathers Fund 100 Corporate North Suite 201 Bannockburn, IL 60015 (708) 295-7400 (local); (800) 962-3863	
Mathers Fund	ST

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Fund Distributors

Distributor	Type of fund
Meeschaert & Co 28 Hill Farm Road St Johnsbury, VT 05819 (802) 748-2400	
Meeschaert Capital Accumulation	**ST**
Meridian Fund 60 East Sir Francis Drake Blvd Suite 306 Larkspur, CA 94939 (800) 445-5553 (local); (800) 446-6662	
Meridian Fund	**ST**
Merrill Lynch Funds Boston One Financial Center 15th Floor Boston, MA 02111 (617) 357-1460 (local); (800) 225-1576	
Merrill Lynch Government Fund	**MM**
Merrill Lynch Institutional Fund	**MM**
Merrill Lynch Funds Distributor PO Box 9011 Princeton, NJ 08543-9011 (609) 282-2800* (local); (800) 637-3863	
Merrill Lynch Basic Value Fund	**ST**
Merrill Lynch Calif Muni Bond	**MU**
Merrill Lynch Capital Fund	**ST**
Merrill Lynch Corp–High Income	**BD**
Merrill Lynch Corp–High Quality	**BD**
Merrill Lynch Corp–Intermediate	**BD**
Merrill Lynch Equi-Bond I Fund	**BA**
Merrill Lynch EuroFund	**FO**
Merrill Lynch Federal Securities	**BD**
Merrill Lynch Fund for Tomorrow	**ST**
Merrill Lynch Global Alloc Fund	**FO**
Merrill Lynch Global Convertible	**FO**
Merrill Lynch Intl Holdings	**FO**
Merrill Lynch Muni–High Yield	**MU**
Merrill Lynch Muni–Insured	**MU**
Merrill Lynch Muni–Ltd Maturity	**MU**
Merrill Lynch Municipal Income	**MU**
Merrill Lynch Natural Res	**ST**
Merrill Lynch NY Muni Bond	**MU**
Merrill Lynch Pacific Fund	**FO**
Merrill Lynch Phoenix Fund	**BA**
Merrill Lynch Ready Assets Trust	**MM**
Merrill Lynch Retire Benefit Inv	**BA**
Merrill Lynch Retire Equity	**ST**
Merrill Lynch Retire Global Bond	**FO**
Merrill Lynch Retire/Income Fund	**BD**
Merrill Lynch Retire Reserves Money	**MM**
Merrill Lynch Special Value	**ST**
Merrill Lynch Strategic Div	**ST**
Sci/Tech Holdings	**ST**
Summit Cash Reserves Fund	**MM**

Distributor	Type of fund
Merrill Lynch, Pierce, Fenner & Smith One Liberty Plaza 165 Broadway New York, NY 10080 (212) 449-8415	
CBA Money Fund	**MM**
CMA Calif Tax-Exempt	**MM**
CMA Government Securities Fund	**MM**
CMA Money Fund	**MM**
CMA New York Tax-Exempt	**MM**
CMA Tax-Exempt Fund	**MM**
Merriman Investment Trust 1200 Westlake Avenue, North Suite 700 Seattle, WA 98109 (206) 285-8877 (local); (800) 423-4893	
Merriman Timed Asset Allocation	**BA**
Merriman Timed Blue Chip Fund	**ST**
Merriman Timed Capital Apprec	**ST**
Mesirow Investment Services 350 North Clark Street Chicago, IL 60610 (312) 670-6035 (local); (800) 458-5222	
Skyline Fund–Balanced	**BA**
Skyline Fund–Special Equities	**ST**
MetLife State Street Investment One Financial Center 30th Floor Boston, MA 02111 (617) 348-2000 (local); (800) 882-0052	
MetLife-State Street Cap Apprec	**ST**
MetLife-State Street Equity Income	**ST**
MetLife-State Street Equity Inv	**ST**
MetLife-State Street Government Inc	**BD**
MetLife-State Street High Income	**BD**
MetLife-State Street Managed Assets	**BA**
State Street Investment Trust	**ST**
MGF Distributors 700 Dixie Terminal Building Cincinnati, OH 45202 (513) 629-2000 (local); (800) 543-8721	
Midwest Group Tax-Free–Ohio MM	**MM**
Midwest Income–Intermediate Govt	**BD**
Midwest Strategic Trust–Growth	**ST**
MidAmerica Management 4333 Edgewood Road NE Cedar Rapids, IA 52499 (800) 288-2346 (local); (800) 288-2346	
MidAmerica High Growth Fund	**ST**
MidAmerica Mutual Fund	**ST**
Mimlic Sales Corp 400 North Robert Street St Paul, MN 55101 (800) 443-3677	
Mimlic Asset Allocation Fund	**BA**
Mimlic Investors Fund I	**ST**

Distributor	Type of fund
MML Investor Services 1350 Main Street Springfield, MA 01103 (800) 854-9100 (local); (800) 542-6767	
MassMutual Integrity–Balanced Fund	**BA**
MassMutual Integrity–Cap Apprec	**ST**
MassMutual Integrity–Value Stock	**ST**
Morgan Keegan & Co 50 North Front Street Memphis, TN 38103 (901) 524-4100 (local); (800) 366-7426	
Morgan Keegan Southern Capital	**ST**
Murphey Favre West 601 Riverside Avenue Spokane, WA 99201 (509) 353-3550 (local); (800) 543-8072	
Composite Bond & Stock Fund	**BA**
Composite Growth Fund	**ST**
Composite Income Fund	**BD**
Composite Northwest 50 Fund	**ST**
Composite Tax-Exempt Bond Fund	**MU**
Mutual Benefit Financial Services Co 520 Broad Street Newark, NJ 07101 (201) 481-8000* (local); (800) 333-4726	
Mutual Benefit Fund	**ST**
Mutual of Omaha Fund Management 10235 Regency Circle Omaha, NE 68114 (800) 642-8112 (local); (800) 228-9596	
Mutual of Omaha America Fund	**BD**
Mutual of Omaha Growth Fund	**ST**
Mutual of Omaha Income Fund	**BA**
Mutual of Omaha Tax-Free Income	**MU**
National Financial Data Service PO Box 26070 Kansas City, MO 64196-7070 (816) 435-1700 (local); (800) 225-8011	
Neuwirth Fund	**ST**
Pine Street Fund	**ST**
Winthrop Focus Funds–Growth	**ST**
National Securities & Research Corp 2 Pickwick Plaza Greenwich, CT 06830 (203) 863-5600* (local); (800) 223-7757	
California Tax-Exempt Bonds	**MU**
National Aggressive Growth Fund	**ST**
National Bond Fund	**BD**
National Federal Securities Trust	**BD**
National Real Estate Stock Fund	**ST**
National Stock Fund	**ST**
National Strategic Allocation Fund	**BA**
National Total Income Fund	**BA**
National Total Return Fund	**BA**

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Distributor	Type of fund
Nationwide Financial Services One Nationwide Plaza Columbus, OH 43216 (800) 848-0920	
Nationwide Bond Fund	BD
Nationwide Fund	ST
Nationwide Growth Fund	ST
Nationwide Money Market Fund	MM
Neuberger & Berman Management 342 Madison Avenue New York, NY 10173 (212) 850-8300* (local); (800) 877-9700	
Neuberger & Berman Genesis Fund	ST
Neuberger & Berman Guardian Fund	ST
Neuberger & Berman Ltd Mat Bond	BD
Neuberger & Berman Manhattan	ST
Neuberger & Berman Muni Money	MM
Neuberger & Berman Partners Fund	ST
Neuberger & Berman Sectors + Energy	ST
New England Securities 399 Boylston Street Boston, MA 02116 (617) 267-6600 (local); (800) 343-7104	
CGM Capital Development Fund	ST
CGM Mutual Fund	BA
New England Balanced Fund	ST
New England Bond Income Fund	BD
New England Cash Mgmt–MM	MM
New England Government Securities	BD
New England Growth Fund	ST
New England Retirement Equity	ST
New England Tax-Exempt Income	MU
Newton Fund PO Box 1348 Milwaukee, WI 53201 (414) 347-1141 (local); (800) 242-7229	
Newton Growth Fund	ST
Nicholas Co 700 North Water Street Milwaukee, WI 53202 (414) 272-6133	
Nicholas Fund	ST
Nicholas II	ST
Nicholas Income Fund	BD
Nicholas Limited Edition	ST
Noddings and Associates Two MidAmerica Plaza Suite 920 Oakbrook Terrace, IL 60181 (708) 954-1322* (local); (800) 544-7785	
Noddings Convertible Strategies	BA

Distributor	Type of fund
Nomura Capital Management 180 Maiden Lane 29th Floor New York, NY 10038 (212) 208-9300 (local); (800) 833-0018	
Nomura Pacific Basin Fund	FO
Northeast Investors Trust 50 Congress Street 10th Floor, Room 1000 Boston, MA 02109 (617) 523-3588 (local); (800) 225-6704	
Northeast Investors Growth	ST
Northeast Investors Trust	BD
John Nuveen & Co 333 West Wacker Drive Chicago, IL 60606 (312) 917-7844* (local); (800) 621-7227	
Nuveen California T-F–Ins Bond	MU
Nuveen California T-F–MM	MM
Nuveen California T-F–Spec Bond	MU
Nuveen Insured Tax-Free Bond–Natl	MU
Nuveen Insured Tax-Free Bond–NY	MU
Nuveen Municipal Bond Fund	MU
Nuveen Tax-Exempt Money Market	MM
Nuveen Tax-Free Bond–New York	MU
Nuveen Tax-Free Bond–Ohio	MU
Nuveen Tax-Free MM–Mass	MM
Nuveen Tax-Free MM–New York	MM
Nuveen Tax-Free Reserves	MM
NYLife Securities 51 Madison Avenue Room 2404 New York, NY 10010 (800) 522-4202	
MainStay–Capital Appreciation	ST
MainStay–Convertible Fund	BA
MainStay–Global Fund	FO
MainStay–Gold & Precious Metal	ST
MainStay–Government Plus	BD
MainStay–High Yield Corp Bond	BD
MainStay–Tax-Free Bond	MU
MainStay–Total Return Fund	BA
MainStay–Value Fund	ST

Distributor	Type of fund
Oberweis Emerging Growth 841 North Lake Street Aurora, IL 60506 (800) 942-0850 (local); (800) 323-6166	
Oberweis Emerging Growth	ST
Olympic Trust 800 West Sixth Street Suite 540 Los Angeles, CA 90017 (213) 623-7833 (local); (800) 346-7301	
Olympic Trust–Balanced Income	BA
Olympic Trust–Equity Income	ST
Olympic Trust–Small Cap Fund	ST
Oppenheimer Fund Management PO Box 300 Denver, CO 80201 (303) 671-3200 (local); (800) 525-7048	
Advance America–Equity Income	ST
Champion High Yield Fund	ST
Main Street–Income & Growth	ST
Oppenheimer Asset Allocation Fund	BA
Oppenheimer Blue Chip Fund	ST
Oppenheimer California Tax-Exempt	MU
Oppenheimer Directors Fund	ST
Oppenheimer Discovery Fund	ST
Oppenheimer Equity Income Fund	ST
Oppenheimer Fund	ST
Oppenheimer Global Bio-Tech Fund	FO
Oppenheimer Global Fund	FO
Oppenheimer Gold & Special Mins	ST
Oppenheimer High Yield Fund	BD
Oppenheimer Money Market Fund	MM
Oppenheimer New York Tax-Exempt	MU
Oppenheimer Ninety Ten Fund	BA
Oppenheimer Premium Income	ST
Oppenheimer Regency Fund	ST
Oppenheimer Special Fund	ST
Oppenheimer Target Fund	ST
Oppenheimer Tax-Free Bond Fund	MU
Oppenheimer Time Fund	ST
Oppenheimer Total Return Fund	ST
Oppenheimer US Government Trust	BD
Overland Express PO Box 63084 Suite 721 San Francisco, CA 94163 (800) 552-9612	
Overland Express Asset Allocation	BA
Overland Express Calif Tax Free	MU
Overland Express Tax Free MM	MM
Pacific Financial Research 9601 Wilshire Boulevard Suite 828 Beverly Hills, CA 90210 (213) 278-5033*	
Clipper Fund	ST

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Fund Distributors

Distributor	Type of fund
PaineWebber 1000 Harbor Boulevard Prospectus Department, 1st Floor Weehawken, NJ 07087 (201) 902-7341	
PaineWebber Asset Allocation	BA
PaineWebber Calif Tax-Exempt Inc	MU
PaineWebber Cashfund	MM
PaineWebber Classic Growth & Inc	ST
PaineWebber Classic Atlas Fund	FO
PaineWebber Classic Growth Fund	ST
PaineWebber Classic World	FO
PaineWebber Fixed Inc–GNMA	BD
PaineWebber Fixed Inc–High Yield	BD
PaineWebber Fixed Inc–Invest Grade	BD
PaineWebber Master Energy-Utility	ST
PaineWebber Master Global Income	FO
PaineWebber Master Growth	ST
PaineWebber Master Income	BD
PaineWebber RMA–CA Muni Money	MM
PaineWebber RMA–Money Market	MM
PaineWebber RMA–NY Muni Money	MM
PaineWebber RMA–Retirement	MM
PaineWebber RMA–Tax-Free	MM
PaineWebber Tax-Exempt Income	MU
Pallas Financial Corporation 2325 Crestmoor Road Suite P200 Nashville, TN 37215 (615) 298-1000 (local), (800) 251-1970	
Monitrend Value Fund	ST
Paribas Asset Management 787 Seventh Avenue 30th Floor New York, NY 10019 (212) 841-3245*	
Paribas Trust–Quantus Equity	ST
Parnassus Financial Management 244 California Street San Francisco, CA 94111 (415) 362-3505* (local), (800) 999-3505	
Parnassus Fund	ST
Pasadena Group of Mutual Funds 600 North Rosemead Boulevard Pasadena, CA 91107-2101 (818) 351-9686* (local), (800) 882-2855	
Pasadena Growth Fund	ST
Pax World Fund 224 State Street Portsmouth, NH 03801 (603) 431-8022 (local), (800) 767-1729	
Pax World Fund	BA

Distributor	Type of fund
Penn Square Management 2650 Westview Drive Wyomissing, PA 19610 (800) 222-7506 (local); (800) 523-8440	
Penn Square Mutual Fund	ST
Pennsylvania Mutual Fund 1414 Avenue of the Americas New York, NY 10019 (212) 355-7311 (local), (800) 221-4268	
Pennsylvania Mutual Fund	ST
Permanent Portfolio PO Box 5847 Austin, TX 78763 (512) 453-7558 (local), (800) 531-5142	
Permanent Portfolios–Permanent	BA
Permanent Portfolios–Treasury Bill	BD
Perritt Investments 680 North Lake Shore Drive Tower Suite 2038 Chicago, IL 60611 (312) 649-6940 (local), (800) 338-1579	
Perritt Capital Growth	ST
GR Phelps & Co 140 Garden Street MS 305 Hartford, CT 06154 (203) 293-5090* (local), (800) 322-2642	
Connecticut Mutual–Growth	ST
Connecticut Mutual–Total Return	BA
Phoenix Equity Planning Corp 100 Bright Meadow Boulevard Enfield, CT 06082-1989 (203) 278-8050* (local), (800) 243-4361	
Phoenix Balanced Fund	BA
Phoenix Convertible Fund	BA
Phoenix Growth Fund	ST
Phoenix High Yield Fund	BD
Phoenix Stock Fund	ST
Phoenix Total Return	ST
Pilgrim Group 10100 Santa Monica Boulevard 21st Floor Los Angeles, CA 90067-4112 (213) 551-5440 (local), (800) 336-3436	
Pilgrim GNMA Fund	BD
Pilgrim High Yield Trust	BD
Pilgrim MagnaCap Fund	ST
Pioneer Group 60 State Street Boston, MA 02109-1975 (617) 742-7825* (local), (800) 225-6292	
Pioneer Bond Fund	BD
Pioneer Fund	ST
Pioneer II	ST
Pioneer Three	ST

Distributor	Type of fund
Piper Capital Management Piper Jaffray Tower 222 South 9th Street Minneapolis, MN 55402 (612) 342-6384 (local); (800) 333-6000	
Piper Jaffray Balanced Fund	BA
Piper Jaffray Minnesota Tax-Exempt	MU
Piper Jaffray Money Market	MM
Piper Jaffray Sector Performance	ST
Piper Jaffray Tax-Exempt MM	MM
Piper Jaffray Value Fund	ST
Prescott, Ball & Turben 1331 Euclid Avenue Cleveland, OH 44115 (216) 696-3360 (local); (800) 553-5533	
Selected American Shares	ST
Selected Special Shares	ST
T Rowe Price Associates 100 East Pratt Street Baltimore, MD 21202 (301) 547-2308* (local); (800) 638-5660	
T Rowe Price Calif T-F Inc–Bond	MU
T Rowe Price Calif T-F Inc–Money	MM
T Rowe Price Capital Appreciation	ST
T Rowe Price Equity Income Fund	ST
T Rowe Price GNMA Fund	BD
T Rowe Price Growth & Income	ST
T Rowe Price Growth Stock Fund	ST
T Rowe Price High Yield Fund	BD
T Rowe Price International Bond	FO
T Rowe Price Intl Discovery	FO
T Rowe Price International Stock	FO
T Rowe Price Maryland T-F Bond	MU
T Rowe Price New America Growth	ST
T Rowe Price New Era Fund	ST
T Rowe Price New Horizons Fund	ST
T Rowe Price New Income Fund	BD
T Rowe Price New York T-F Bond	MU
T Rowe Price New York T-F Money	MM
T Rowe Price Prime Reserve Fund	MM
T Rowe Price Science & Technology	ST
T Rowe Price Short-Term Bond Fund	BD
T Rowe Price Small-Cap Value Fund	ST
T Rowe Price Tax-Exempt Money	MM
T Rowe Price Tax-Free High Yield	MU
T Rowe Price Tax-Free Income Fund	MU
T Rowe Price T-F Short-Intermediate	MU
Primary Trend Fund First Financial Centre-4th Floor 700 North Water Street Milwaukee, WI 53202 (800) 443-6544	
Primary Trend Fund	ST
Princor Financial Services Corp 711 High Street Des Moines, IA 50309 (515) 247-5711 (local), (800) 247-4123	
Princor Aggressive Growth Fund	ST
Princor Capital Accumulation Fund	ST
Princor Growth Fund	ST
Princor Managed Fund	BA
Princor World Fund	FO

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Fund Distributors

Distributor	Type of fund
ProvidentMutual Financial Svcs PO Box 15627 Christiana Executive Campus Wilmington, DE 19850 (302) 456-1010* (local); (800) 441-9490	
ProvidentMutual Convertible Secs	BA
ProvidentMutual Growth Fund	ST
ProvidentMutual Investment Shares	ST
ProvidentMutual Pennsylvania T-F	MU
ProvidentMutual Total Return Trust	BA
ProvidentMutual US Govt Fund for Inc	BD
ProvidentMutual Value Shares	ST
ProvidentMutual World Fund	FO
Prudent Speculator Group 4023 West Sixth Street Los Angeles, CA 90020 (213) 252-9000* (local); (800) 444-4778	
Prudent Speculator Leveraged Fund	ST
Prudential-Bache One Seaport Plaza Mutual Funds-18th Floor New York, NY 10292 (800) 225-1852	
Command Money Fund	MM
Command Tax-Free Fund	MM
Pru-Bache Bond–Insured	MU
Pru-Bache California Municipal	MU
Pru-Bache Equity Fund	ST
Pru-Bache Equity Income	ST
Pru-Bache FlexiFund–Aggressive	ST
Pru-Bache FlexiFund–Conservative	ST
Pru-Bache Global Fund	FO
Pru-Bache Global Genesis	FO
Pru-Bache Global Natural Res	FO
Pru-Bache GNMA Fund	BD
Pru-Bache Government Plus	BD
Pru-Bache Govt Secs–Intermediate	BD
Pru-Bache Govt Secs–Money Market	MM
Pru-Bache Growth Opportunity	ST
Pru-Bache High Yield Fund	BD
Pru-Bache IncomeVertible Plus	BA
Pru-Bache Moneymart Assets	MM
Pru-Bache Muni–Arizona	MU
Pru-Bache Muni–High Yield	MU
Pru-Bache Muni–Maryland	MU
Pru-Bache Muni–Massachusetts	MU
Pru-Bache Muni–Michigan	MU
Pru-Bache Muni–New Jersey	MU
Pru-Bache Muni–New York	MU
Pru-Bache Muni–New York MM	MM
Pru-Bache Muni–North Carolina	MU
Pru-Bache Muni–Ohio	MU
Pru-Bache Muni–Pennsylvania	MU
Pru-Bache National Municipals	MU
Pru-Bache Option Growth Fund	ST
Pru-Bache Research Fund	ST
Pru-Bache Tax-Free Money Fund	MM
Pru-Bache US Government	BD
Pru-Bache Utility Fund	ST
Putnam Financial Services PO Box 2701 Boston, MA 02208 (617) 292-1000 (local); (800) 225-1581	
Putnam California Tax-Exempt Inc	MU
Putnam California Tax-Exempt MM	MM
Putnam Convertible Income-Growth	BA
Putnam Daily Dividend Trust	MM
Putnam Diversified Income Trust	BD
Putnam Energy-Resources Trust	ST
Putnam Fund for Growth & Income	ST
George Putnam Fund of Boston	BA
Putnam Global Governmental Trust	FO
Putnam GNMA Plus Trust	BD
Putnam Health Sciences Trust	ST
Putnam High Income Government	BD
Putnam High Yield Trust	BD
Putnam High Yield Trust II	BD
Putnam Income Fund	BD
Putnam Information Sciences Trust	ST
Putnam International Equities Fund	FO
Putnam Investors Fund	ST
Putnam Massachusetts Tax-Ex Inc	MU
Putnam Michigan Tax-Exempt Inc	MU
Putnam Minnesota Tax-Exempt Inc	MU
Putnam New York Tax-Exempt Inc	MU
Putnam New York Tax-Exempt MM	MM
Putnam Ohio Tax-Exempt Income	MU
Putnam Option Income Trust	ST
Putnam Option Income Trust II	ST
Putnam OTC Emerging Growth Fund	ST
Putnam Tax-Exempt Income Fund	MU
Putnam Tax-Exempt Money Market	MM
Putnam Tax-Free Income–High Yield	MU
Putnam Tax-Free Income–Insured	MU
Putnam US Govt Guaranteed Secs	BD
Putnam Vista Basic Value	ST
Putnam Voyager Fund	ST
Quest Distributors 1414 Avenue of the Americas New York, NY 10019 (212) 355-7311* (local); (800) 221-4268	
Royce Fund–Total Return	BA
Royce Fund–Value	ST
Quest for Value 200 Liberty Street World Financial Center, 37th Floor New York, NY 10281 (212) 667-7587 (local); (800) 232-3863	
Quest for Value–Asset Allocation	BA
Quest for Value Fund	ST
James B Rea 10966 Chalon Road Los Angeles, CA 90077 (213) 208-2282* (local); (800) 433-1998	
Rea-Graham Balanced Fund	BA
Reich & Tang LP 100 Park Avenue 28th Floor New York, NY 10017 (212) 370-1240* (local); (800) 221-3079	
California Daily Tax-Free Income	MM
Connecticut Daily Tax-Free Income	MM
Daily Tax-Free Income Fund	MM
Empire Tax-Free Money Market	MM
Michigan Daily Tax-Free Income	MM
Reich & Tang Equity Fund	ST
Short-Term Income–Money Market	MM
Resrv Partners 810 Seventh Avenue 35th Floor New York, NY 10019 (800) 637-1700 (local); (800) 223-5547	
Reserve Fund–Government	MM
Reserve Fund–Primary	MM
Reserve New York Tax-Exempt–NY	MM
Reserve Tax-Exempt–Connecticut	MM
Reserve Tax-Exempt–Interstate	MM
Review Management Corp PO Box 1537 Suite 228 Fort Washington, PA 19034-1537 (215) 643-2510* (local); (800) 523-2578	
European Emerging Companies Fund	FO
Over-the-Counter Securities Fund	ST
Robertson, Stephens & Co One Embarcadero Center Suite 3100 San Francisco, CA 94111 (415) 781-9700 (local); (800) 288-7726	
RCS Emerging Growth	ST
Rochester Fund Distributors 379 Park Avenue Rochester, NY 14607 (716) 442-5500*	
Rochester Convertible Fund	BA
Rochester Fund Municipals	MU
Rochester Tax Managed Fund	ST
Rodney Square Funds c/o Provident Financial Processing PO Box 8950 Wilmington, DE 19899 (302) 479-1086* (local); (800) 992-5084	
Rodney Square International Equity	FO
Rodney Square Fund–MM	MM
Rodney Square Multi–Growth	ST
Rodney Square Multi–Total Return	BA
Rodney Square Multi–Value	ST
Rodney Square Tax-Exempt	MM
Ruane, Cuniff & Co 1370 Avenue of the Americas New York, NY 10019 (212) 245-4500	
Sequoia Fund	ST
Rushmore Group 4922 Fairmont Avenue Bethesda, MD 20814 (301) 657-1500* (local); (800) 343-3355	
American Gas Index Fund	ST
Fund for Govt Investors	MM
Rushmore–OTC Index Plus	ST
Rushmore–Stock Market Index Plus	ST
Safeco Securities Safeco Plaza T-15 Seattle, WA 98185 (206) 545-5530 (local); (800) 426-6730	
Safeco California Tax-Free Income	MU
Safeco Equity Fund	ST
Safeco Growth Fund	ST
Safeco Income Fund	ST
Safeco Municipal Bond Fund	MU

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Distributor	Type of fund
Salomon Brothers Asset Management 55 Water Street 34th Floor New York, NY 10041 (212) 668-8578* (local); (800) 221-5350	
Salomon Brothers Capital Fund	ST
Salomon Brothers Investors Fund	ST
Salomon Brothers Opportunity Fund	ST
SBSF Funds 45 Rockefeller Plaza 33rd Floor New York, NY 10111 (212) 903-1200 (local); (800) 422-7273	
SBSF–Growth Fund	ST
Schafer Value Trust 210 Carnegie Center Princeton, NJ 08540 (609) 936-1200	
Schafer Value Fund	ST
Schield Portfolios Securities 390 Union Boulevard Suite 410 Denver, CO 80228 (800) 247-9331 (local); (800) 826-8154	
Schield–Timed Asset Allocation	BA
Scudder Fund Distributors 160 Federal Street Boston, MA 02110 (800) 225-2470	
AARP Growth–Capital Growth	ST
AARP Growth–Growth & Income	ST
AARP Income–GNMA & US Treas	BD
AARP Income–High Quality Bond	BD
AARP Insured T-F Inc–Genl Bond	MU
Japan Fund	FO
Scudder California Tax Free Fund	MU
Scudder California Tax-Free Money	MM
Scudder Capital Growth	ST
Scudder Cash Investment Trust	MM
Scudder Development Fund	ST
Scudder Equity Income	ST
Scudder Fund–Lazard Equity	ST
Scudder Fund–Managed Tax-Free	MM
Scudder Global Fund	FO
Scudder GNMA Fund	BD
Scudder Gold Fund	ST
Scudder Growth & Income Fund	ST
Scudder High Yield Tax Free Fund	MU
Scudder Income Fund	BD
Scudder International Bond	FO
Scudder International Fund	FO
Scudder Managed Municipal Bonds	MU
Scudder Massachusetts Tax Free	MU
Scudder NY Tax Free Fund	MU
Scudder NY Tax-Free Money Fund	MM
Scudder Ohio Tax Free Fund	MU
Scudder Short Term Bond Fund	BD
Scudder Tax-Free Money Fund	MM

Distributor	Type of fund
Securities Management & Research Two Moody Plaza Galveston, TX 77550 (800) 231-4639	
American National Growth Fund	ST
American National Income Fund	ST
Triflex Fund	BA
Security Distributors 700 Harrison Street Topeka, KS 66636 (800) 888-2461	
Security Action Fund	ST
Security Equity Fund	ST
Security Income–Corporate Bond	BD
Security Investment Fund	ST
Security Omni Fund	ST
Security Ultra Fund	ST
Seligman Marketing 130 Liberty Street New York, NY 10006 (800) 522-6869 (local); (800) 221-2450	
Seligman Calif Tax-Exempt–High Yld	MU
Seligman Calif Tax-Exempt–Quality	MU
Seligman Capital Fund	ST
Seligman Common Stock Fund	ST
Seligman Commun & Information	ST
Seligman Growth Fund	ST
Seligman Income Fund	BA
Seligman New Jersey Tax-Exempt	MU
Seligman Penn Tax-Exempt–Quality	MU
Seligman Tax-Exempt–Colorado	MU
Seligman Tax-Exempt–Louisiana	MU
Seligman Tax-Exempt–Maryland	MU
Seligman Tax-Exempt–Mass	MU
Seligman Tax-Exempt–Michigan	MU
Seligman Tax-Exempt–Minnesota	MU
Seligman Tax-Exempt–Missouri	MU
Seligman Tax-Exempt–National	MU
Seligman Tax-Exempt–New York	MU
Seligman Tax-Exempt–Ohio	MU
Seligman Tax-Exempt–Oregon	MU
Seligman Tax-Exempt–SC	MU
Sentry Equity Services 1800 North Point Drive A3/32 Stevens Point, WI 54481 (800) 533-7827	
Sentry Fund	ST

Distributor	Type of fund
Shearson Lehman Hutton One Western Union Plaza 15th Floor New York, NY 10004 (212) 528-2744	
SLH Aggressive Growth	ST
SLH Appreciation Fund	ST
SLH California Daily Tax-Free	MM
SLH California Municipals	MU
SLH Daily Dividend	MM
SLH Daily Tax-Free Dividend	MM
SLH Equity–Growth & Opportunity	ST
SLH Equity–International	FO
SLH Equity–Sector Analysis	ST
SLH Equity–Strategic Investors	ST
SLH Fundamental Value Fund	ST
SLH Global Opportunities	FO
SLH Government & Agencies	MM
SLH High Yield Fund	BD
SLH Income–Convertible Secs	BA
SLH Income–Global Bond	FO
SLH Income–High Income	BD
SLH Income–Mortgage Secs	BD
SLH Income–Option Income	ST
SLH Income–Tax-Exempt Income	MU
SLH Income–Utilities	BA
SLH Investment–Directions Value	ST
SLH Investment–European	FO
SLH Investment–Global Equity	FO
SLH Investment–Government Secs	BD
SLH Investment–High Grade	BD
SLH Investment–Growth	ST
SLH Investment–Precious Metals	ST
SLH Investment–Special Equities	ST
SLH Managed Govt	BD
SLH Managed Municipals	MU
SLH Multi Opportunity LP	ST
SLH New Jersey Municipals	MU
SLH New York Daily Tax-Free	MM
SLH New York Municipals	MU
SLH Precious Metals & Mins	FO
SLH Principal Ret–Zero & Apprec	ST
SLH Small Capitalization	ST
SLH Telecommunications–Growth	ST
Sheffield Investments 41 Madison Avenue New York, NY 10010 (212) 779-7979* (local); (800) 922-7771	
Blanchard Precious Metals Fund	ST
Blanchard Strategic Growth	ST
Sherman, Dean Fund 6061 NW Expressway Suite 465 San Antonio, TX 78201 (512) 735-7700 (local); (800) 247-6375	
Sherman, Dean Fund	ST

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Fund Distributors

Distributor	Type of fund
Siebel Capital Management 80 East Sir Francis Drake Blvd Larkspur, CA 94939 (415) 461-3850	
Adam Investors	ST
Signature Financial Group 6 Saint James Avenue 9th Floor Boston, MA 02116 (617) 423-0800	
FundTrust–Aggressive Growth	ST
FundTrust–Growth	ST
FundTrust–Growth & Income	BA
FundTrust–Managed Total Return	ST
Sit Investment Associates 90 South 7th Street Suite 4600 Minneapolis, MN 55402 (612) 332-3223 (local); (800) 332-5580	
Sit New Beginning Growth Fund	ST
Sit New Beginning Income & Growth	ST
Smith Barney, Harris Upham & Co 1345 Sixth Avenue New York, NY 10105 (212) 698-5349 (local); (800) 544-7835	
Muni Bond Funds–California	MU
Muni Bond Funds–National	MU
Muni Bond Funds–New York	MU
National Liquid Reserves–Cash	MM
National Liquid Reserves–Retire	MM
Smith Barney Equity Fund	ST
Smith Barney–Income & Growth	ST
Smith Barney–US Government	BD
Tax-Free Money Fund	MM
Vantage Money Market–Cash	MM
Sogen Securities Corp 50 Rockefeller Plaza New York, NY 10020 (212) 957-3800 (local); (800) 334-2143	
SoGen International Fund	ST
Sound Shore Fund PO Box 1810 Greenwich, CT 06836 (203) 629-1980	
Sound Shore Fund	ST
Southeastern Asset Management 860 Ridgelake Boulevard Suite 301 Memphis, TN 38119 (901) 761-2474* (local); (800) 445-9469	
SAM Small Cap Fund	ST
SAM Value Trust	ST
Sovereign Advisers 985 Old Eagle School Road Suite 515A Wayne, PA 19087 (215) 254-0703*	
Sovereign Investors	ST

Distributor	Type of fund
State Bond Sales Corp 8500 Normandale Lake Boulevard Minneapolis, MN 55437 (507) 354-2144* (local); (800) 328-4735	
State Bond Common Stock Fund	ST
State Bond Diversified Fund	ST
State Bond Progress Fund	ST
Steadman Security Corp 1730 K Street NW Suite 904 Washington, DC 20006 (202) 223-1000 (local); (800) 424-8570	
Steadman American Industry Fund	ST
Steadman Associated Fund	ST
Steadman Investment Fund	ST
Steadman Oceanographic Tech & Gr	ST
Stein Roe & Farnham PO Box 1131 Chicago, IL 60690 (800) 338-2550	
SteinRoe Capital Opportunities	ST
SteinRoe High Yield Municipals	MU
SteinRoe Cash Reserves	MM
SteinRoe Intermediate Bond Fund	BD
SteinRoe International Growth	FO
SteinRoe Managed Municipals	MU
SteinRoe Special Fund	ST
SteinRoe Stock Fund	ST
SteinRoe Tax-Exempt Money Fund	MM
SteinRoe Total Return Fund	BA
Stonebridge Capital 1801 Century Park East Suite 1800 Los Angeles, CA 90067 (213) 277-1450	
National Industries Fund	ST
Strategic Distributors 2030 Royal Lane Dallas, TX 75229 (214) 484-1326* (local); (800) 527-5027	
Strategic Gold/Minerals Fund	ST
Strategic Investments Fund	FO
Strategic Silver Fund	ST
Stratton Management 610 West Germantown Pike Suite 361 Plymouth Meeting, PA 19462 (215) 941-0255* (local); (800) 634-5726	
Stratton Growth Fund	ST
Stratton Monthly Dividend Shares	ST
Strong/Corneliuson Capital Management PO Box 2936 Milwaukee, WI 53201-2936 (414) 359-1400* (local); (800) 368-3863	
Strong Advantage Fund	BD
Strong Discovery Fund	ST
Strong Income Fund	BD
Strong Investment Fund	BA
Strong Money Market Fund	MM
Strong Tax-Free Money Market Fund	MM
Strong Opportunity Fund	ST
Strong Total Return Fund	BA

Distributor	Type of fund
SunAmerica Asset Management 10 Union Square East New York, NY 11003 (800) 858-8850 (local); (800) 821-5100	
Home Investors Govt Guaranteed Inc	BD
SunAmerica Capital Appreciation	ST
SunAmerica Equity–Aggressive Grow	ST
SunAmerica Equity–Growth	ST
SunAmerica Income–Convert Secs	BA
SunAmerica Multi-Asset–Tot Return	ST
TBC Funds Distributor 103 Bellevue Parkway Wilmington, DE 19809 (302) 792-6400 (local); (800) 441-7379	
HT Insight–Convertible Fund	ST
HT Insight–Equity Fund	ST
HT Insight–Tax-Free MM Fund	MM
Pierpont Capital Appreciation Fund	ST
Pierpont Equity Fund	ST
Pierpont Money Market	MM
Pierpont Tax-Exempt Bond Fund	MU
Pierpont Tax-Exempt Money Market	MM
Templeton Funds Distributors 700 North Central Avenue St Petersburg, FL 33701-3628 (813) 823-8712 (local); (800) 237-0738	
Templeton Foreign Fund	FO
Templeton Global	FO
Templeton Growth Fund	FO
Templeton Income Fund	BA
Templeton World Fund	ST
Thompson, Unger & Plumb PO Box 55320 Madison, WI 53705 (608) 231-1676*	
Thompson, Unger & Plumb Fund	BA
Thomson McKinnon Asset Management One State Street Plaza New York, NY 10004 (212) 482-5894 (local); (800) 628-1237	
Cash Accumulation–National MM	MM
Cash Accumulation–National Tax-Ex	MM
Thomson McKinnon–Global	FO
Thomson McKinnon–Growth	ST
Thomson McKinnon–Income	BD
Thomson McKinnon–Opportunity	ST
Thomson McKinnon–Prec Metals	ST
Thomson McKinnon–US Govt	BD
Thornburg Securities 119 East Marcy Street Suite 202 Santa Fe, NM 87501 (505) 984-0200 (local); (800) 847-0200	
Limited Term Municipal–California	MU
Limited Term Municipal–National	MU

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Distributor	Type of fund
Transamerica 1000 Louisiana Suite 6000 Houston, TX 77002-5098 (800) 999-3863	
Transamerica Govt Securities	**BD**
Transamerica Growth & Income	**BA**
Transamerica Inv Quality Bond	**BD**
Transamerica Lowry Market Timing	**ST**
Transamerica Special Blue Chip Fund	**ST**
Transamerica Special Convert Secs	**BA**
Transamerica Special Emerging Grow	**ST**
Transamerica Special Global Growth	**FO**
Transamerica Special Natural Res	**ST**
Transamerica Sunbelt Growth Fund	**ST**
Transamerica Technology Fund	**ST**
Trusteed Funds One Winthrop Square Boston, MA 02110 (800) 462-1199 (local); (800) 343-2902	
Commonwealth Investment–Balanced	**BA**
Commonwealth Investment–Growth	**ST**
Twentieth Century Investors PO Box 419200 Kansas City, MO 64141-6200 (816) 531-5575 (local); (800) 345-2021	
20th Century Balanced Fund	**BA**
20th Century Cash Reserve	**MM**
20th Century Giftrust Investors	**ST**
20th Century Growth Investors	**ST**
20th Century Heritage Investors	**ST**
20th Century Select Investors	**ST**
20th Century Ultra Investors	**ST**
20th Century US Governments	**BD**
20th Century Vista Investors	**ST**
Tyndall Distributors 1500 Forest Avenue Suite 223 Richmond, VA 23229 (800) 527-9500	
Tyndall World–Tiger Fund	**FO**
Tyndall World–TV EuroPacific Fund	**FO**
Unified Management Corp PO Box 6110 Indianapolis, IN 46206-6110 (317) 634-3300 (local); (800) 862-7283	
Unified Growth Fund	**ST**
Unified Income Fund	**BA**
Unified Mutual Shares	**ST**
United Services Advisors PO Box 29467 San Antonio, TX 78229-0467 (512) 696-1234* (local); (800) 873-8637	
United Services–Global Resources	**FO**
United Services–Gold Shares Fund	**FO**
United Services–Good & Bad	**ST**
United Services–Growth Fund	**ST**
United Services–Income Fund	**ST**
United Services–New Prospector	**FO**

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US Boston Investment 6 New England Executive Park Burlington, MA 01803 (617) 272-6420	
US Boston Inv–Foreign G&I	**FO**
US Boston Inv–Growth & Income	**ST**
USAA Investment Management USAA Building San Antonio, TX 78284-9855 (512) 498-8181 (local); (800) 531-8181	
USAA Investment–Balanced	**BA**
USAA Investment–Cornerstone Fund	**ST**
USAA Investment–Gold Fund	**ST**
USAA Investment–International	**FO**
USAA Mutual–Aggressive Growth	**ST**
USAA Mutual–Growth Fund	**ST**
USAA Mutual–Income Fund	**BD**
USAA Mutual–Income Stock Fund	**ST**
USAA Mutual–Money Market	**MM**
USAA Tax-Exempt–High Yield	**MU**
USAA Tax-Exempt–Intermediate	**MU**
USAA Tax-Exempt–Money Market	**MM**
USAA Tax-Exempt–Short-Term	**MU**
UST Securities 555 South Flower Street Suite 2710 Los Angeles, CA 90071 (213) 488-0666 (local); (800) 233-1136	
UST Master Funds–Equity	**ST**
UST Master Funds–Govt Money	**MM**
UST Master Funds–Income & Growth	**ST**
UST Master Funds–International	**FO**
UST Master Tax-Exempt–Short-Term	**MM**
Valley Forge Fund 1375 Anthony Wayne Drive Wayne, PA 19087 (215) 688-6839 (local); (800) 548-1942	
Valley Forge Fund	**ST**
Value Line Securities 711 Third Avenue New York, NY 10017 (800) 223-0818	
Value Line Cash Fund	**MM**
Value Line Convertible Fund	**ST**
Value Line Fund	**ST**
Value Line Income Fund	**ST**
Value Line Leveraged Growth Inv	**ST**
Value Line New York Tax-Exempt	**MU**
Value Line Special Situations Fund	**ST**
Value Line Tax-Exempt–High Yield	**MU**
Value Line US Government Secs	**BD**
Van Eck Securities Corp 122 East 42nd Street 42nd Floor New York, NY 10168 (212) 687-5200* (local); (800) 221-2220	
Van Eck Gold/Resources Fund	**ST**
Van Eck International Investors	**FO**
Van Eck World Income Fund	**FO**
Van Eck World Trends Fund	**FO**

Distributor	Type of fund
Van Kampen Merritt 1001 Warrenville Road Lisle, IL 60532 (708) 719-6000 (local); (800) 225-2222	
Van Kampen Merritt Calif Ins T-F	**MU**
Van Kampen Merritt Growth & Inc	**ST**
Van Kampen Merritt High Yield	**BD**
Van Kampen Merritt Insured T-F	**MU**
Van Kampen Merritt Penn T-F Inc	**MU**
Van Kampen Merritt T-F High Inc	**MU**
Van Kampen Merritt US Government	**BD**
Vanguard Group of Investment Cos PO Box 2600 MS 136 Valley Forge, PA 19482 (215) 648-6000 (local); (800) 662-7447	
Vanguard Asset Allocation	**ST**
Vanguard Bond Market Fund	**BD**
Vanguard California T-F–Ins L-T	**MU**
Vanguard California T-F–MM	**MM**
Vanguard Convertible Securities	**BA**
Vanguard Equity Income Fund	**BA**
Vanguard Explorer Fund	**ST**
Vanguard Fixed Income–GNMA	**BD**
Vanguard Fixed Income–High Yield	**BD**
Vanguard Fixed Income–Invest Grade	**BD**
Vanguard Fixed Income–Short-Term	**BD**
Vanguard Fixed Income–S-T Govt Bond	**BD**
Vanguard Fixed Income–US Treasury	**BD**
Vanguard High Yield Stock	**ST**
Vanguard Index–500 Portfolio	**ST**
Vanguard Index–Extended Market	**ST**
Vanguard MM Reserves–Federal	**MM**
Vanguard MM Reserves–Prime	**MM**
Vanguard MM Reserves–US Treas	**MM**
Vanguard/Morgan Growth Fund	**ST**
Vanguard Muni Bond–High Yield	**MU**
Vanguard Muni Bond–Insured L-T	**MU**
Vanguard Muni Bond–Intermediate	**MU**
Vanguard Muni Bond–Limited Term	**MU**
Vanguard Muni Bond–Long-Term	**MU**
Vanguard Muni Bond–Money Market	**MM**
Vanguard Muni Bond–Short-Term	**MU**
Vanguard NJ Tax-Free–Insured L-T	**MU**
Vanguard NJ Tax-Free–MM	**MM**
Vanguard New York Insured T-F	**MU**
Vanguard Penn Tax-Free–Insured L-T	**MU**
Vanguard Penn Tax-Free–MM	**MM**
Vanguard Preferred Stock Fund	**BD**
Vanguard Primecap Fund	**ST**
Vanguard Quantitative Portfolios	**ST**
Vanguard Small Cap Stock	**ST**
Vanguard Special–Energy	**ST**
Vanguard Special–Gold & Precious	**FO**
Vanguard Special–Health Care	**ST**
Vanguard Special–Service Economy	**ST**
Vanguard Special–Technology	**ST**
Vanguard STAR Fund	**BA**
Vanguard Trustees Commingled–Intl	**FO**
Vanguard Trustees Commingled–US	**ST**
Vanguard Wellesley Income Fund	**BA**
Vanguard Wellington Fund	**BA**
Vanguard Windsor Fund	**ST**
Vanguard Windsor II	**ST**
Vanguard World–Intl Growth	**FO**
Vanguard World–US Growth	**ST**

Distributor	Type of fund
Variable Stock Fund One Winthrop Square Boston, MA 02110 (413) 781-3000 (local); (800) 343-2902	
Variable Stock Fund	**ST**
Venture Advisers PO Box 1688 Santa Fe, NM 87504-1688 (505) 983-4335 (local); (800) 279-2279	
New York Venture Fund	**ST**
RPF of America–Bond Fund	**BD**
RPF of America–Equity Fund	**ST**
Venture Income (+) Plus	**BD**
Voyageur Fund Distributor 100 South Fifth Street Suite 2200 Minneapolis, MN 55402 (800) 247-1576 (local); (800) 553-2143	
Voyageur Colorado Tax-Free Fund	**MU**
Voyageur Granit Growth Stock	**ST**
Voyageur Minnesota Tax-Free Fund	**MU**
Waddell & Reed 2400 Pershing Road PO Box 418343 Kansas City, MO 64141-9343 (816) 283-4122 (local); (800) 366-5465	
United Accumulative Fund	**ST**
United Bond Fund	**BD**
United Cash Management	**MM**
United Continental Income Fund	**BA**
United Gold & Government Fund	**FO**
United Government Securities	**BD**
United High Income Fund	**BD**
United High Income Fund II	**BD**
United Income Fund	**ST**
United International Growth	**FO**
United Municipal Bond Fund	**MU**
United Municipal High Income	**MU**
United New Concepts Fund	**ST**
United Retirement Shares	**BA**
United Science & Energy Fund	**ST**
United Vanguard Fund	**ST**

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Distributor	Type of fund
Wall Street Management Corp 641 Lexington Avenue 21st Floor New York, NY 10022 (212) 319-9400*	
Wall Street Fund	ST
Washington Funds Distributors 1101 Vermont Avenue NW Washington, DC 20005 (202) 842-5300 (local); (800) 972-9274	
Growth Fund of Washington	ST
Weiss, Peck & Greer One New York Plaza New York, NY 10004 (212) 908-9582* (local); (800) 223-3332	
WPG Dividend Income Fund	ST
WPG Fund	ST
WPG Government Securities Fund	BD
WPG International Fund	FO
WPG Tudor Fund	ST
Weitz Securities 9290 West Dodge Road Suite 405 Omaha, NE 68114-3323 (402) 391-1980*	
Weitz Series Fund–Value	ST

Distributor	Type of fund
Westchester Capital Management 11 High Meadows Mount Kisco, NY 10549 (914) 241-3360*	
The Merger Fund	ST
Wheat First Securities PO Box 1357 Richmond, VA 23211 (804) 627-8625 (local); (800) 999-4328	
Southeastern Growth Fund	ST
Winsbury Company 1900 East Dublin-Granville Road Columbus, OH 43229 (800) 451-8377	
ASO Outlook Group–Equity Fund	ST
Parkstone Bond Fund	BD
Parkstone Equity Fund	ST
Parkstone High Income Equity	ST
Parkstone Intermediate Govt Oblig	BD
Parkstone Municipal Bond	MU
Parkstone Prime Obligations	MM
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Parkstone Tax-Free Fund	MM

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Wood Logan 1455 East Putnam Avenue Old Greenwich, CT 06870 (800) 334-4437	
NA Security–Aggressive Asset Alloc	BA
NA Security–Conserv Asset Alloc	BA
NA Security–Growth	ST
NA Security–Moderate Asset Alloc	BA
BC Ziegler & Co 215 North Main Street West Bend, WI 53095 (414) 334-5521 (local); (800) 826-4600	
Principal Preservation–Div Achievers	ST
Principal Preservation–S&P 100 Plus	ST
Zweig Securities 5 Hanover Square 17th Floor New York, NY 10004 (800) 272-2700	
Zweig Series–Government Secs	BD
Zweig Series–Priority Selection	ST

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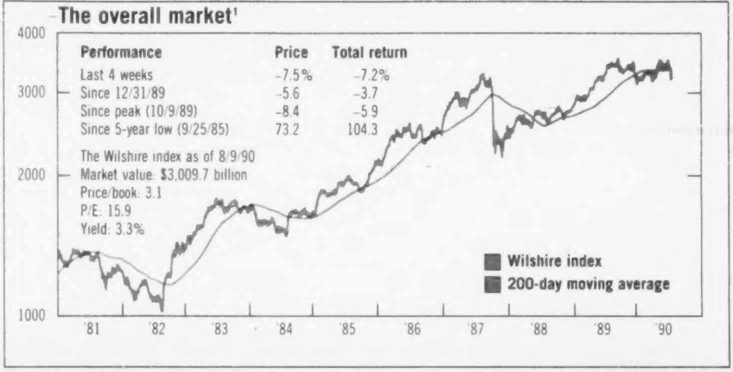
The Forbes Wall Street Review

By Eric S. Hardy

Events in the Persian Gulf were felt in stock markets around the world. The Morgan Stanley Capital International Perspective index of 1,000 European, Australian, New Zealand and Far Eastern stocks lost 7% in dollar terms in the last two weeks. Yet even before Hussein's troops rolled into Kuwait, Wall Street was entering a slump. Although the Dow hit an alltime peak on July 17, the 6,000 stocks in the Wilshire failed to confirm this as a market top (the Wilshire high dates back to Oct. 9, 1989). On the day preceding the Iraqi invasion the Dow was already 3% below its July high.

Technology stocks were hard hit during the last two weeks. Cetus, a biological research firm, lost almost half of its value. Advanced Micro Devices declined a fifth. During the last ten trading days the Nasdaq composite fell 7.3%, while the Wilshire index of 6,000 issues fell 4.8%.

Gold and energy issues were about the only stocks posting gains. Bernard J. Picchi, an energy analyst at Merrill Lynch, thinks that there is still time to profit from the current instability in the oil industry. However, Picchi recommends caution. He thinks that stocks such as Amerada Hess, Murphy Oil and Unocal have already had strong price runups and may be overvalued. What does Picchi like? Integrated oils selling at lower earnings multiples, such as Atlantic Richfield and Texaco.



The overall market[1]

Performance	Price	Total return
Last 4 weeks	-7.5%	-7.2%
Since 12/31/89	-5.6	-3.7
Since peak (10/9/89)	-8.4	-5.9
Since 5-year low (9/25/85)	73.2	104.3

The Wilshire index as of 8/9/90
Market value: $3,009.7 billion
Price/book: 3.1
P/E: 15.9
Yield: 3.3%

The Best Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Fund American Cos	50	42%	51	6,075	5.0
Freeport McMoRan Oil	10⅛	31	NM	2,281	4.8
Boise Cascade	38	19	9	3,088	2.8
FMC Gold	11½	15	17	450	2.0
AMAX Gold	17⅛	14	48	215	1.3

The Worst Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Cetus	8⅞	-47%	NM	13,402	2.3
UAL	113¾	-30	11	4,835	3.0
Promus Cos	19¼	-27	NM	1,668	1.6
Advanced Micro Devices	5⅝	-22	23	5,534	0.9
Associated Communications	22¾	-22	71	93	0.6

Closeup on the Market

Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,227.97	-4.8%
Wilshire index 6,000 stocks, equal weighted	20.29	-5.3
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,758.91	-5.5
S&P 500 Capitalization weighted cross section, major stocks	339.94	-4.5
NYSE Capitalization weighted, all listed common stocks	186.24	-4.3
Amex Capitalization weighted total return: stocks, warrants	341.49	-4.2
Nasdaq Capitalization weighted, all issues except warrants	412.98	-7.3
Amex international market index Capitalization weighted, 50 largest ADRs	303.49	-4.8

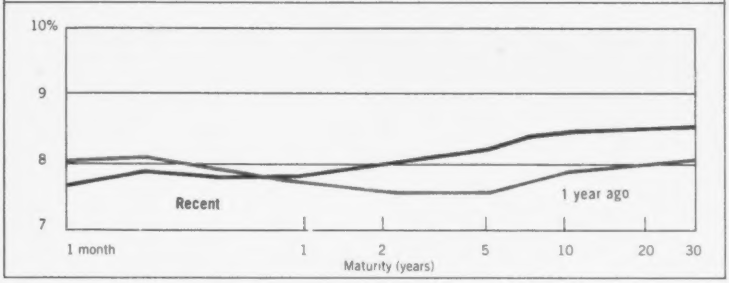
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	849.50	-7.0%
Institutional[5] Approximately 200 stocks with high institutional ownership	103.86	-7.6
Individual[5] Approximately 200 stocks with low institutional ownership	96.15	-6.1
Russell 2000 index 2000 stocks with small market values, capitalization weighted	152.54	-7.0
Gold[6] (composite quote of 6 major dealers)	$383.85	4.0
Yen[6] (per $U.S.)	149.70	-0.5
Commodity index[6] (CRB futures index, 1967 = 100)	235.66	0.4
Oil[6] (W Texas Intermediate)	$25.65	26.4
T bills[6] (90 days)	7.40%	-16 basis points[7]
Broker loan rate[6]	9.25%	unchanged

Note: All data for periods ending 8/9/90. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 8/10/90. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one hundredth of a percentage point. NM: Not meaningful.

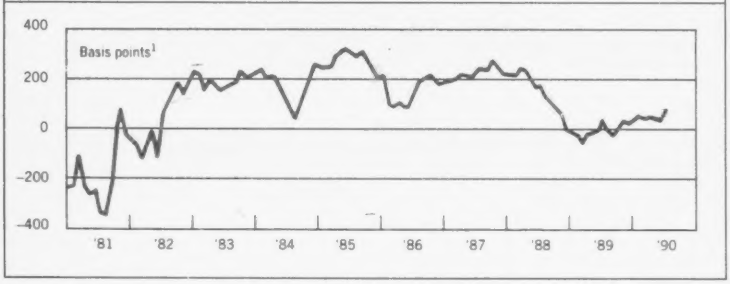
Fixed Income Review

Edited by Eric S. Hardy

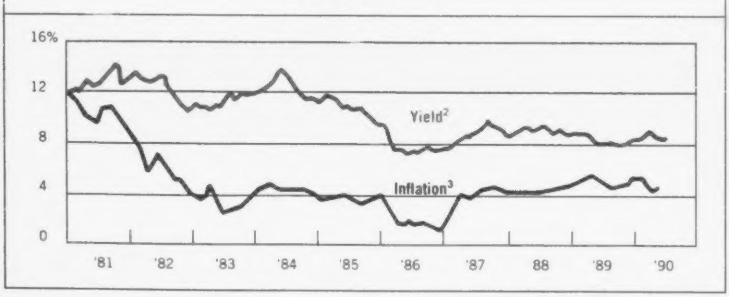
Yield Curve



30-Year Rate Minus 1-Year Rate



Yield vs. Inflation



Spread over Treasurys

Security	Basis points[1]
AA corporates	83
AAA industrials	82
Ginnie Maes	100
Junk corporates[4]	713
Municipals[5]	125

Total returns

Security	1 year[6]	3 years[6,7]
AAA corporates	6.1%	10.1%
Ginnie Maes[5]	9.4	11.1
Junk corporates[4]	1.0	7.5
Municipals[5]	6.9	8.7
Treasury bonds	6.0	9.3

Saddam Hussein and his army of thugs can be blamed for a rise in inflation expectations and therefore in interest rates. But this may have created a window of opportunity in the bond market, especially at the longer end of the maturity spectrum. James Kochan, chief bond strategist at Merrill Lynch, is predicting a 0.5% decline in the yield on 30-year Treasury bonds by the end of the year. Even before the invasion of Kuwait, however, the yield curve had been taking on a more normal upward slope *(see top left).*

The municipal bond market has also been damaged by rising rates. In addition, it is contending with something that Treasurys have not yet been exposed to: doubts about credit quality.

It's a sign of the times that in a recent annual report to shareholders, the president of Scudder Massachusetts Tax Free Fund goes out of his way to boast of avoiding general obligation bonds. It used to be that a general obligation bond, pledging the full credit and taxing power of the issuing state or municipality, was the safest kind to have. But Massachusetts' general obligation bonds have been dropped in S&P's rating to BBB, lowest in the nation. And so Scudder is protecting its customers' assets by investing in Massachusetts munis backed by almost anything but the state's credit: revenue streams from hospitals or independent entities such as Harvard University. Issues from Harvard and the Massachusetts Housing Finance Agency have higher ratings than state bonds, even when they are not insured.

Investors who can't decide between the debt or equity markets should consider a hybrid investment—convertible bonds. Such bonds can appreciate from lower interest rates or a rise in the value of the underlying stock or a combination of both events. (Conversely, of course, they can be double-whammied by a combination of rising interest rates and a falling stock market.) Andrew Davis at PaineWebber recommends the 6.5s of 2004 of Omnicom Group, a New York advertising agency. Each $1,000 bond, convertible into $835 worth of Omnicom stock, can be put back to the issuer at $1,230 in July 1996.

Note: Except where footnoted, all information provided by Berkeley, Calif.-based Barra, a financial consulting firm. [1] A basis point is equal to one-hundredth of a percentage point. [2] Yield on ten-year Treasurys. [3] The trailing 12-month increase in the Consumer Price Index, through 6/30/90. [4] Source: First Boston. [5] Source: Shearson Lehman Brothers. [6] Through 7/31/90. [7] Three-year total return, annualized.

MONEY & INVESTMENTS

Weak profits and oil shocks do not necessarily make for bear markets.

DON'T PANIC

Charles E. Babin

In my "Why Bearish Is Bullish" column (FORBES, *May 14*) I advised against letting a faltering economy and disappointing corporate profits color our thinking about stocks. Now the picture is muddled by the oil price surge triggered by Iraq. But if history is any guide, equity markets will weather both storms.

Even before Iraq swallowed Kuwait, Wall Street's bears were skeptical. In July, when the S&P backed off 2% from its alltime high, the financial press abounded with stories attributing the shock to poor earnings comparisons and warning that profits and, hence, share prices would most likely remain depressed for the foreseeable future—a scenario made more plausible by the Middle East crisis.

I disagree. The ability of even accurate profits estimates to presage the market is iffy.

When it comes to security analysis, perhaps no single factor consumes as much horsepower as forecasting corporate earnings. Conventional wisdom holds that investors armed with accurate profit estimates stand to gain. Statistical methods do confirm a relationship between current-year stock price and the upcoming year's earnings. But use of this linkage as a market barometer is questionable.

A casual examination reveals the danger of relying too heavily on profit projections to set equity strategy. Imagine that earnings could be forecast perfectly. Many investors might have soured on equities in 1984 had they known that profits would fall 22% in 1985—followed by another drop in 1986. They would have missed a 6% return in 1984 and an incredible 32% in 1985. It wouldn't have been an isolated incident.

The table shows that the Composite's earnings-per-share growth declined on four occasions during the volatile 1980s. But only one of these events was preceded by a negative stock market. What's more, the robust 1985 stock market was followed by a profit decline, while the best earnings year (1988) was preceded by an anemic market.

Even if perfect earnings estimates were possible, would it matter?

	Investment return from stocks[1]	Following year's profit growth[2]
1980	32.4%	3.6%
1981	-5.0	-17.7
1982	21.6	11.0
1983	22.6	18.6
1984	6.4	-22.0
1985	32.0	-1.0
1986	18.8	20.9
1987	5.2	35.7
1988	16.6	-3.7
1989	31.6	8.5[3]
Average	16.0	5.4

[1] S&P appreciation, plus dividends [2] S&P 500 earnings per share [3] Estimate

Back-testing to 1958 indicates that less than 20% of the annual fluctuation in the S&P's total return can be attributed to the following year's profit growth. An enhanced relationship is uncovered by rolling out the forecast horizon yet another year and measuring earnings momentum, i.e., the acceleration or deceleration of earnings growth. Nevertheless, even this correlation's power to steer equity commitments is limited.

Does the Iraqi situation strengthen the bearish case? Maybe. But experience with previous oil disruptions suggests that there's reason not to give up on stocks. During the Iranian oil crisis (1978-79), equity returns were positive. And in 1980 the S&P's total return topped 32%, amid recession and flagging profits.

The OPEC oil embargo (1973-74) preceded the 1974-75 recession. But only in 1974 did the stock market decline (26%), perhaps anticipating an even deeper recession in 1975. Still, it would have been a mistake to panic. The S&P recovered in 1975 and tacked on 25% in 1976.

Thus, in my opinion, weak profits and Iraqi sword-rattling do not necessarily make for a bear market through 1991. For tactical decisions, what's needed is a variable that anticipates the stock market and can directly estimate its investment potential. Fortunately, there's a solution: interest rates.

History shows that competing financial markets do not move in unison and that careful monitoring of the credit market, as measured by three-month Treasury bills, can be a useful guide in making equity decisions. For more than a year—even in the face of an oil crunch—interest rate movements have been signaling a positive outlook for stocks.

While there are land mines, investors should be wary of gloom-and-doomers. In the week after the Kuwait invasion, the S&P declined less than 5% and was within about 8% of its July peak. Today's market is proving remarkably buoyant, in spite of frightening news from the Persian Gulf and weak profits at home. That the market is this resilient suggests that 1991's business environment will be healthier than many experts suspect, Saddam's ambitions notwithstanding. ■

Charles E. Babin is managing director of BRS Capital Management, Inc., an investment management firm, in Boston